

**BY-LAWS OF USHURU INVESTMENT
CO-OPERATIVE SOCIETY LTD**

CS/15302

P.O.BOX 52072-00200

CITY SQUARE

NAIROBI

KENYA

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1. NAME AND AREA OF OPERATION

The Society shall be called Ushuru Investment Co-operative Society Limited hereinafter referred to as the "Society" and its area of operation shall be within the Republic of Kenya.

2. REGISTERED OFFICE AND POSTAL ADDRESS

- a) The registered office of the Society shall be at Forodha House, Community, 2ND floor, Ngong road , Westlands District Nairobi and its postal address shall be P.O Box 52072-0020 NAIROBI.
- b) Notice of any change of address shall be given to the Commissioner for Co-operative Development and to all the members of the Society.

3. DEFINITIONS

- a) “**Act**” means the Co-operative Society Act 2004.
- b) “**A nominee**” means a person appointed by the member to inherit the shares, deposits and other interests in the Society upon the death of that member.
- c) “**Applicable Law**” shall mean any other relevant law other than the Co-operative Societies Act cap 490, Rules, and these By-Laws.
- d) “**Management Committee**” shall refer to the persons elected in a duly convened Delegates Meeting to govern the Business of the Sacco as per these By-Laws hereinafter referred to as the “Committee”.
- e) “**Commissioner**” shall mean “the Commissioner for Co- operative Development as provided for in the Co-operative Act.”
- f) “**Dividend**” shall mean members share of the surplus of the Society which is divided amongst its members based on shareholding.
- g) “**Deposit**” means a sum of money received or paid on terms under which it shall be repaid with or without interest or premium and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it.
- h) “**Delegates meeting**” shall be a meeting (either “annual” or “special”) for all Delegates as may be applicable; duly convened by the Society to conduct its business.

- i) **“Member”** includes a person or a co-operative Society joining in the application for the registration of a Sacco, and a person or co-operative Society admitted to membership after registration in accordance with the By-Laws.
- j) **“Returning officer”** is a person appointed to oversee or conduct the elections of a co-operative Society at a Delegates meeting.
- k) **“SACCO”** means a Savings and Credit Co-operative Society registered under the Co-operative Act and shall imply Ushuru Co-operative Savings and Credit Society Limited unless otherwise stated.
- l) **“Share Capital”** shall mean members' equity in the form of issued and fully paid up shares of common stock
- m) **“Society”** Means Ushuru Investment Co-operative Society Limited
- n) **“Tribunal”** shall mean the Co-operative Tribunal established under the Co-operative Act to hear and determine disputes.
- o) **“Members in good standing”** means a member who is current on the repayments of his loan payments due to the Society and who is current on making his required contributions and has not in any way acted in a manner, which is potentially damaging to the Society and has fully complied with the policies set by this Society.
- p) **“Delegate”** – means a member who is elected by other members to represent them in meetings convened by the Society in accordance with the Society By-Laws
- q) **“Branch Delegates Meeting”** – means meeting of delegates of that particular branch.
- r) **Delegates meeting** shall be read as **“Delegates Meeting”** and Annual Delegates Meeting shall read as “Annual Delegate Meetings”.
- s) **“KRA”** – means the Kenya Revenue Authority.

4. OBJECTS

The objects for which the society is established are:-

- a) To invest members' contributions in prudently identified ventures in order to maximize the return on their investment.
- b) To acquire, lease, or otherwise dispose of the society's building(s) and other fixed properties as necessary.

- c) To purchase, take on lease or exchange, hire or otherwise acquire any movable or immovable property of any kind of any interest therein any right or privileges which the Management Committee of the society may think necessary or convenient for the purpose of or in connection with Society's businesses or which may enhance the value of any other property of the Society.
- d) To improve, manage, develop, and turn to account, grant rights or privileges in respect of or otherwise deal with any of the property, rights and privileges of the society.
- e) To acquire and undertake the whole of any part of the business, assets and liabilities of any person or Society carrying on or proposing to carry on any business which the society is authorized to carry on or which can be carried on in conjunction with any business of the Society or which is possessed of property suitable for the purposes of the Society.
- f) To pay out of the funds of the society all expenses which the society may lawfully pay for or in connection with the formation and registration of the society.
- g) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, limiting competition or otherwise, with any person of society carrying on or engaged in or about to carry on or engage in any business or transaction which the society is authorized to carry on or engage in or can be carried on in conjunction with any business of the society or which is capable of being conducted so as to benefit the society, directly or indirectly.
- h) To borrow money or receive money or deposit either with or without security or secured by debentures, mortgages or other security charged on the undertaking or on all or any of the assets of the society.
- i) To subscribe for, underwriter, buy, hold, sell and deal (either on or off a stock exchange, and either as principals, agents or trustees) in every description, to advise on investments of all kinds, to advise on, assist and deal with issues, offers for sale, and generally to carry on the business of stock and share brokers.
- j) To remunerate any person or company, either in cash or by allotment of shares credited as fully or partly paid up, for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Society's capital of any

debentures, debentures stock or other securities of the society or in or about the formation or promotion of the society of the conduct or development of its business and to pay out of the funds of the society all expenses and incidentals to its formation and registration.

- k) Do all such things, as are incidental to or necessary for the attainment of any or all foregoing objects for the society.

5. MEMBERSHIP

- a) Membership shall consist of
 - i) Employees of Kenya Revenue Authority ..
 - ii) Employees of Ushuru investment Co-operative Society
 - iii) Any other member as may be approved by the Annual Delegates meeting.
 - iv) Ushuru Savings and Credit Co-operative Society members.
- b) 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 a Register of members. In the case of individual persons, the applicant must be a mature person not less than 18 years of age
- c) Membership qualifications : Members shall exercise their rights by
 - (i) Paying the entrance fee of KShs 5, 000/= and for at least 300 shares of KShs. 200/= each.
 - (ii) Paying at least Ksh.3000 per month towards deposits when the minimum shares have been paid up.
 - (iii) Signing either the members’ register or membership form either of which shall be deemed to bind the members to accept the rights and duties of membership as set forth in the Act, Rules and these By-Laws.
 - (iv) Every member shall be issued with a share certificate specifying the number of shares in respect of which it is issued and the amount paid thereof.
 - (v) Should a share certificate given to the member by the society be lost or destroyed, immediate notice of such fact shall be given to the Manager who may be authorized by the Management Committee to issue a duplicate certificate.

- (vi) The Management Committee may require a member to sign an indemnity to protect the society against any loss due to the issuance of such duplicate. The Management Committee may also require payment to the society of reasonable charge to cover the cost of issuing a duplicate certificate. This charge is currently set at Ksh. 1000/= and will be subject to review from time to time.
- d) The Management Committee may refuse admission to a person after assigning reasons for their decision. Such a person shall have the right to appeal to the Annual Delegates meeting and further as provided in the Co-operative Society Act.
- e) Every member shall nominate in writing at least one person to whom upon his/her death his/her shares, money, deposits or any interest and dividend shall be transferred or paid. The nomination shall be assigned by a member in the presence of two attesting witnesses
- f) In the event of the death of a member, the society, after satisfying itself and after obtaining such documentary proof of the death of a member as it may consider necessary, shall transfer to nominee(s) the value of the deceased member's shares, deposits, interests and dividends after deducting such sums as may be due by the member to the Society as soon as possible. If for any reason on the death of a member a nominee does not exist, the society may pay money due to the deceased member to the personal representative or recognized heirs of the deceased member.
- g) Membership in the society shall cease with effect from the date of a member:
 - i) Death
 - ii) Being expelled from membership
 - iii) Ceasing to hold the qualifications stated in By-Laws
 - iv) On the transfer of all shares held by him
- h) A member may resign or withdraw from the society by selling or transferring shares to another member or any eligible member. Any monies due to the member will be refunded after deducting any liabilities to the society as a borrower, guarantor, Endorser or otherwise.
- i) A member may be suspended from membership by the Committee pending a final decision on expulsion by an Annual Delegates meeting which may reinstate or confirm the expulsion. A member may be expelled due to the following reasons:-

- i) Any action adjudged to be prejudicial to the society and the spirit of co-operation
 - ii) Repeated failure to pay any sum due to the society.
- j) A member who withdraws or is expelled shall be repaid the following amounts after deductions of any debts, owed by him to the society as borrower, endorser, guarantor, or otherwise.
 - i) Any dividends or interest due to him on the date membership ceased
 - ii) Any deposit or other sums held by the society on his behalf
- k) Subject to the rules members who have resigned or ceased to be a member shall have no claim on the property of the society.
- l) On the death of a member or if he is certified to be of an unsound mind, his/her nominee, if eligible for membership under these By-Laws, may apply and be admitted as a full member and shall acquire all assets and rights and assume all debts and liabilities of the member by whom he was nominated.
- m) If ineligible only on grounds of age, such nominee may if s/he so wishes be granted all the rights and liabilities of membership of the deceased member, except the right to vote which right s/he may not have until s/he attains the age of 18 years
- n) If the nominee does not wish to become a member s/he may be paid within 60 days all sums due to him as nominee.
- o) A member who voluntarily withdraws from the society shall not be entitled to any money paid by him or shares if the society holds loans or deposits from non members

6. LIMITATIONS OF LIABILITIES

The liability of the members of the society to meet any deficit in the event of liquidation is limited to the amount payable by them respectively, but unpaid on the date of liquidation in respect of any shares in the capital of the society held by them as at that date or allotted to them prior to that date.

7. FUNDS OF THE SOCIETY

The funds of the society shall consist of

- a) Entrance Fees

- b) Transfer Fees
- c) An unlimited number of shares to the value of Kshs.200/= each and part shares
- d) Deposits or loans from members or non-members:
- e) Reserve fund as required by law and such other reserves as may be established with the written approval of the Commissioner;
- f) Any surplus resulting from operations of the society
- g) Interests, Commissions and other fees chargeable
- h) Funds obtained from any other source

8. SHARES

- a) The nominal value of each share shall be Kshs.200/= and every member shall hold 300 shares in the society.
- b) Under no circumstances shall members' shares be refundable.
- c) With the approval of the Management Committee, a member may at any time transfer his shares to another member but not to a person who would otherwise not qualify to be a member. Such transfer shall be in writing and approved by the society.
- d) Shares may be transferred only between members of the society. No transfer shall be valid until registered by the Society. A fee of Kshs.2000/= shall be paid by the transferee to the reserve fund or the Society for every such transfer.
- e) No individual member, may own more than 20% of the total paid up capital of USHURU Investment Co-operative Society Ltd.
- f) Money paid in or out on account of shares, deposit, loans, interest, fees or fines shall be evidenced by a printed receipt in a form to be approved by the Management Committee. Every person receiving or paying any money on behalf of the society shall be identified on the receipt.

9. LIEN

- a. The society shall have a first charge upon the shares or interest in the capital and deposits of a current or past member and upon any dividends, bonus or accumulated funds payable to a current or past member in respect of any debts from a current or past member to the Society, and may set off any sum credited or payable to a current

- or past member in or towards payments of any such debts, but such lien may not be considered as security when making a loan to a member.
- b. For the purpose of enforcing any such lien, the Management Committee may sell the share subject thereto in such manner as it may think fit. But no sale shall be made until notice in writing of the intention to sell shall have been served on such member and default shall have been made by him in the payment, fulfillment or discharge of such debt, liabilities or engagements for fourteen days after such notice.
 - c. The net proceeds of any such sale after payments of costs of such sale shall be applied in or towards satisfaction of the debts, liabilities or engagement of such member to the society and the residue shall be paid over to such member, his executors, administrators and assign, but in the event of the net sale proceeds proving insufficient, the liability to that extent shall continue.
 - d. Upon any sale enforcing, a lien is purported exercise of the powers herein before given the Management Committee may appoint some person to execute any instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after the purchaser's name has been entered in the sale shall not be impeached by any person.

10. RESERVE FUND

The Society shall maintain a statutory reserve fund as required by the Act and Rules. Unless otherwise resolved by the Delegates meeting, and approved by the Commissioner, the Reserve fund shall be credited with 20% of the net surplus after tax of each financial year. It shall not be credited with all entrances fees, except the amount taken from such fees to pay initial expenses within two calendar years, following the year in which the society was registered, and with recoveries of loans and other losses previously charged against the Reserve Fund.

11. POWER TO BORROW

- a) Loans may be obtained from members and non members subject to the maximum approved by the Annual Delegates meeting and approved as to amount and terms by the Commissioner.
- b) For the purpose of security 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 Annual Delegates meeting subject to approval by the Commissioner.

12. DELEGATES MEETING

- a) The supreme authority shall be vested in the Delegates meeting. The Delegates meeting shall be composed of delegates from all branches.
- b) The Annual Delegates meeting shall be held every year within four months of the close of the financial year, to hold elections and to undertake such other business as is laid in these By-Laws.
- c) A special Delegates meeting shall be held
 - i) When convened by the Management Committee or the Commissioner or
 - ii) Within 14 days of receipt of a written request from at least one fifth of members.
- d) Except as noted above, at least fifteen days notice shall be given in the case of an Annual Delegates meeting or a special Delegates meeting. The Secretary shall take all possible and usual steps, such as announcements at public meeting posting a notice on the society's notice board or boards, an advertisement in the local newspaper or new sheet, etc. to inform all delegates of the date and main business of the meeting. All written notices shall include a statement of the business to be dealt with.
- e) For a special Delegates meeting requested by the delegates, the request must state object of the meeting being called and be signed or thumb-marked by the intended conveners. The request shall be deposited in the registered office of the society.
- f) Except when convened by the Commissioner, the presences of at least 25% of the total number of delegates or 60 delegates shall constitute a quorum for the conduct of business at a Delegates meeting. When a quorum is not present the chairman shall

adjourn the meeting and shall fix a date within one month for the adjournment meeting which shall be advertised. if at such a meeting a quorum again is not present, the chairman shall declare the meeting open with those present one half hour after the advertised time of the meeting.

- g) The Chairman, or in his absence, the Vice-Chairman shall preside at every Delegates meeting. In their absence any delegate elected by majority of those present shall preside.
- h) Before they may attend or vote at a Delegates meeting, the delegates shall be required to produce evidence of their membership.
- i) The Delegates meeting shall be conducted, and shall have powers and duties prescribed in the rules and these By-Laws and in particular the ordinary business of the Annual Delegates meeting shall be:
 - i) Consider the minutes of the previous meeting and consider matters arising there from.
 - ii) Consider the statement of account, the auditors report, and the inspection notes of the commissioner and the reports of the Committees on the activities of the society during the past financial year.
 - iii) Subject to these By-Laws decide the disposal of the net surplus resulting from operations of the society during the past financial year
 - iv) Confirm or otherwise, actions taken by the Committee and given directions to the new Committee where necessary
 - v) Consider appeals against the expulsion of members and refusal of membership by the Management Committee
 - vi) Elect, suspend or remove members of the Management Committee and other Committee
 - vii) Fix the maximum liability which the society may incur in loan and deposits whether from members or non members
 - viii) Approve the estimate of expenditure for the next financial year following the Annual Delegates meeting.
 - ix) Fix the honoraria, if any, for retiring officers or bonus to employees.

- x) Appoint the auditors for the ensuing financial year
- xi) Transact any other general business of the society of which notice has been given to delegates in the manner prescribed in these By-Laws
- xii) Fix the allowances, honoraria and other payments to the Committee
- j) The New Committee may not take office until items (a) to (k) under By-Laws '12' have been dealt with.
- k) All business discussed or decided at the Annual Delegates 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 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 signature, and not as alterations to the original record the meeting shall by resolution, authorize its chairman to sign and date the final record.

13. ELECTIONS

- a) The delegates present at a Delegates meeting shall vote by either secret ballot or show of hands . No delegate shall vote or be voted by proxy.
- b) All members shall have one vote Irrespective of the number of shares held.
- c) Within 14 days after their elections, the names and address of all persons elected to office shall be forwarded to the Commissioner. Every Committee member shall fill an indemnity form which shall be lodged with the commissioner within 14 days of his election to the Committee.
- d) Within 30 days after the elections every Committee member shall fill wealth declaration form which shall be lodged with the commissioner

14. DELEGATES

- a. Every delegate of the Society present at a Delegates meeting shall have one (1) vote on any resolution put to vote, and, except as otherwise required by the Co-operative Societies Act, Rules and these By-Laws, every question referred to the delegates present at the Delegates meeting shall be decided by a majority of votes.

- b. The Delegates of Ushuru Savings and Credit Co-operative Society Limited shall be shall be the delegates of Ushuru Investment Co-operative Society Limited.
- c. For the purposes of 14(c) above, Sections 35 of the By- Laws of Ushuru Savings and Credit Co-operative Society Limited shall apply.

15. BRANCHES

- i) The Branches of Ushuru Savings and Credit Co-operative Society Limited shall co-ordinate all the activities of Ushuru Investment Co-operative Society limited.
- ii) For the purposes of 7(i) above, Sections 36, 37, 38 and 39 of the By- Laws of Ushuru Savings and Credit Co-operative Society Limited shall apply.

16. MANAGEMENT COMMITTEE

- a) The Management Committee shall consist of five members, of which three shall be seconded from the Management Board of the SACCO, and two elected from the delegates from Nairobi Branch.
- b) The Committee shall include the Chairman, Vice chairman, Treasurer and the Secretary.
- c) The Management Committee of the society shall be elected for the term of three (3) years and one third of the Committee shall retire annually by rotation and will be eligible for re- election.
- d) Members of the Committee shall be elected, suspended or removed only by resolution of the society in Delegates meeting provided that a majority of the total number of the members of the Committee may, for good cause, suspend one of the members of the Committee. Any such suspension shall be confirmed or otherwise by the society at its next Delegates meeting.
- e) If a member of the Committee fails to attend three consecutive meetings without being excused there from, or otherwise fails to perform his duties, his position may be declared vacant and the vacancy filled as provided in these By-Laws
- f) If during its term of office, a vacancy occurs in the Committee it may and, if the number of members of the Committee is thereby reduce below five(5), shall co-opt a delegate to fill such vacancy, such delegate shall serve on the Committee until the

next Delegates meeting of the society at which the decision shall be ratified. The said Committee member shall be eligible for re-election.

- g) If a member of the Committee is removed by resolution of a Delegates meeting of the society that meeting shall forthwith elect another qualified member of the society to fill the vacancy thereby created on the Committee in accordance with the Act, Rules and these By-Laws.
- h) The quorum for the conduct of business at a meeting of the Committee shall be three (3) members thereof, personally present.
- i) The Chairman, if present, shall preside at every meeting of the Committee. If the Chairman is absent from or decline to preside for good reasons such as conflict of interest at any meeting of the Committee the Vice-Chairman shall preside. If neither the Chairman nor the Vice-Chairman is present at a meeting and willing to preside, the members of the Committee, being a quorum, shall elect one of their members to preside at that meeting.
- j) Every member of the society shall be eligible for election to the Committee unless he is prohibited from membership thereof under the provisions of the co-operative societies Act, Rules and these By-Laws.
- k) The Committee shall be the governing authority and subject to any directions from the Delegates meeting or the Commissioner, it shall direct the affairs of the Society. Its procedures, power and duties shall be as prescribed in the rules and in particular, it shall:-
 - i) Observe in all its activities the Act, the Rules, and these By-Laws and prudent business practices
 - ii) Manage the assets of the Co-operative society .
 - iii) Act upon all applications for membership
 - iv) Ensure that true and accurate records and account are kept of the Society's liabilities and income and expenses.
 - v) Decide the amount and kind of surety, bond, or other security which shall be required of the Treasurer, the custody of, or handling funds

- vi) Lay before the Annual Delegates meeting a balance sheet and final account together with proposals for the disposal of the net surplus (If any) and the Commissioner's comments on such proposals
 - vii) Inform the Commissioner immediately of any alternative proposals of the Annual Delegates meeting for disposing of the surplus
 - viii) Recommend to the Annual Delegates meeting the dividend rate to be paid on shares, interest on deposits and the interest refund (if any) to be paid to borrowers;
 - ix) Designate a depository, or depositories, for the funds of the society.
 - x) Impose fines under these By-Laws
 - xi) Approve transfers of shares between members
 - xii) Determine the interest rates which shall be paid on deposits and on borrowed money
 - xiii) Affiliate the society to any other co-operative society after the approval of the Delegates meeting
 - xiv) Perform such other duties as the members may from time to time direct.
- l) The Management Committee may delegate to an officer or employee of the society Such of its powers as it deems necessary
 - m) All business discussed or decided at Committee Meetings 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 minute are a true and complete record of matters which 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.
 - n) The Management Committee may appoint such other Committees as it may deem fit. These sub-Committees will include investment Committee and Education Committee.
 - o) The Management Committee may delegate to the Committee such of its powers and duties under these By-Laws as deemed fit

- p) A member of the Management Committee or of any other Committee shall cease to hold office if he ceases to be a delegate and a member of the society or as stipulated in the Societies Act, Rules and these By-Laws.
- q) The Management Committee may, appoint and employ on such terms and conditions, as it may from time to time determine, employees and agents to carry out any of its functions under these By-Laws. The Committee will appoint, suspend, or dismiss employees, fix their salaries and other benefits. Employees of the society shall be appointed in accordance with the terms and conditions approved by the commissioner for co-operative Development.

17. SUPERVISORY COMMITTEE

- a) The society shall have a supervisory Committee consisting of three members elected at Delegates meeting for a period of three years and one member of the Committee shall retire annually and eligible for re-election
- b) Notwithstanding the provision of (a) above, any member of the Supervisory Committee may be removed by a resolution of a Delegates meeting of the Investment Society.

18. EXECUTIVE COMMITTEE

The Chairman, Vice-chairman, Treasurer and Secretary shall be termed “Executive Committee” The executive Committee shall be elected at a meeting of the Management Committee within 7 days after each Annual Delegates meeting, in accordance with these By-Laws. The Chairman and the Vice-chairman shall hold office for three consecutive years

19. CHAIRMAN AND VICE-CHAIRMAN

- a) The chairman shall preside at all meetings of the delegate and at meetings of the Management Committee. S/he shall perform such other duties as s/he may be directed to perform by the Management Committee, not inconsistent with provisions of the Act, the Rules, and these By-Laws

- b) The Vice-Chairman shall perform the duties of the Chairman during his absence and shall perform such other duties as he may be directed to perform by the Management Committee.

20. TREASURER

The duties of the Treasurer shall include

- a) Generally to manage, or cause to be managed, the financial affairs of the society in a competent manner
- b) To maintain full and complete record of all assets, liabilities, income and expenses of the society
- c) To ensure the safe-keeping of the Society's money, security, and books-of- accounts
- d) To ensure that all payment and expenditures are fully authorized
- e) To ensure compliance with all directives of the Management Committee and the commissioner

21. SECRETARY

The duties of the secretary shall include

- a) To record minutes of the Management Committee meetings and Delegates meeting
- b) To ensure that the society's correspondence is promptly and correctly attended to
- c) To prepare and send notices of meetings

22. MANAGER

- a) The Manager shall be responsible for the day to day running of the society assisted by a Secretariat appointed by the Management Committee. The Manager shall conduct the business and administration of the society subject to overall control of the Committee. He shall be an ex-official member of all the Committees.
- b) The Manager may advise the Management Committee and other Committees on formulation of policies and programs of the Society and implement these after approval by the Management Committee.

23. BOOKS AND RECORDS

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

- a) A register of members showing in respect of such members
 - i) The name, age, date application for membership, address and occupation
 - ii) The date on which he ceased to be a member and
 - iii) The date he was admitted to membership
- b) A minute book giving details of proceedings at the boardroom.
- c) A cash book showing the details of all monies received and all monies expended or paid out by the society.

24. ACCOUNTS AND AUDIT

- a) The Management Committee shall cause to be made and kept up-to-date and in a proper business like manner. Such accounts, books and statements and any other document in relation to all its undertakings funds, activities and property as required by law and/or business practice
- b) For the foregoing purpose the accounts of the Society shall be examined, audited and reported upon annually by an auditor appointed by delegates at an Annual Delegates meeting.
- c) The Management Committee shall produce and lay before the duly appointed auditors all books and accounts of the society, with all vouchers in support thereof, and all books, papers and writings, in its possession or control relating thereto, and the auditors shall be entitled to require from all members of the Committee, officers of the society, and all employees and agents of the society, such information as they may consider necessary for the performance of their duties as auditors.
- d) The expenses of an incidental to the audit shall be paid from the funds of the society.
- e) The Annual accounts of the Society and balance sheets as at the end of each financial year shall after submission to the Commissioner for Co-operative Development be presented to the members to the society at the Annual Delegates meeting.

- f) The financial year of the society shall be the same as the calendar year from 1st January to 31st December

25. CONDUCT OF BUSINESS

The Management Committee may make such policies, not inconsistent with By-Laws as they deem necessary for the conduct of the Society's business or to vary existing policies and these shall be recorded in the minute book and shall be placed on the Society's notice board

26. SIGNING OF DOCUMENTS

Unless declared otherwise by the Annual Delegates meeting, all documents, contracts and cheques shall be signed on behalf of the society by the executive Committee members and such other member or officer of the society as may be required by the act.

27. DISPOSAL AND SURPLUS

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

- a) Not less than 20% shall be credited to the Reserve Fund.
- b) The balance may be disposed of as decided by the Delegates meeting as follows:
 - i) Paying a dividend on shares at a rate recommended by the Committee and approved by the Annual Meeting.
 - ii) Paying interest to members deposits on record at the close of the financial year in proportion to the business done during the financial year.
 - iii) Being carried forward to any other funds of the society, including the appropriations accounts
 - iv) After making the required allocation to the Reserve Funds, applying an amount not exceeding 10% of the remaining net balance to any charitable purpose
 - v) Paying a gratuity or honoraria to retiring officers or bonuses to employees
 - vi) In any other way approved by the commissioner.

28. PROPERTY

- a) Subject to such resolutions as the Delegates meeting of members may from time to time pass, resolve, the Committee shall have full powers to do all things which it deems necessary to expedite the accomplishment of all the objects specified in By-Law 3, including power to purchase, hold, sell exchange, mortgage, rent, lease, sub-lease, surrender and accept surrenders of land or buildings and construct buildings.
- b) It shall be competent for the Committee;
 - i) To buy land, leasehold or freehold, either from or through government or otherwise
 - ii) To render the lands so purchased fit for habitation
 - iii) To under take all infrastructural development
 - iv) To sell or lease otherwise deal with the site to members such terms as they may determine and
 - v) To provide and maintain facilities for water supply, drainage, lighting and similar works of common utility
- c) In the exercise of these powers the Committee shall Act all the time as prudent men of business and shall exercise all due care to safeguard the society's property by insurance and its interest by good Management and may be held responsible, individually and collectively, for losses due to negligence or failure to observe the Act, rules and these By-Laws.
- d) Tenants will be selected from the list of applicants by Committee having regard to date of applications for dwelling, genuine need for housing financial position and other like matters
- e) No building may be erected on the Society's land without the approval of the said plans by the mangament Committee
- f) When the Committee arrange for supply of water, lighting, drainage and other services then it may levy such fees as are necessary to payable by members for the provision of such facilities
- g) By resolution at a Delegates meeting a Committee may be appointed for the execution of such special duties as may be deemed desirable.

- h) The society shall sue and be sued in the name of the society and all powers of attorney and other paper in connection therewith shall be signed by the officers of the society in accordance with By-Laws (62)
- i) Any immovable property acquired and held by the society shall be registered in the name of the society

29. CASH RESERVE

Except otherwise authorized by the Commissioner, a cash reserve shall be maintained for the specific purpose of meeting requests for deposit withdrawals and other emergency pay outs. The cash reserve may consist of cash in hand, the current account, the society's account, and any fixed deposits.

30. COMMON SEAL

The society may adopt and use a common seal bearing the words "seal of Ushuru Investment 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 Manager and shall be used only by, and in the presence of the officers authorized to sign document on behalf of the Society.

31. FINE FOR BREACH

For any breach of these By-Laws, or instruction issued by the Management Committee or for failure of a member to pay his obligation on time, the defaulting member may be fined an amount not exceeding Kshs 20,000 for each offence.

32. DISPUTES

Any dispute arising out of the By-Laws or concerning the business of the society which cannot be settled by the Management Committee or the General Manager shall be referred to the Co-operative tribunal

33. CONFIDENTIALITY

The office bearer, Executive Officer, member of 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 personal affairs except to the extent deemed

necessary by the Management Committee in connection with the making of loans and the collection thereof.

34. CO-OPTION OF COMMITTEE MEMBER

When any Management Committee is absent, disqualified or otherwise unable to perform his duties, the Committee may designate another Delegate to act and serve on the Committee concerned when necessary in order to form a quoru

35. CONFLICT OF INTEREST

No office bearer, Executive Officer, Committee member, or employee of the society shall in any manner participate in the deliberations upon or determination of any question affecting his own financial interest, in the event of disqualification of any such office bearer, executive officer, deliberation or determination and the remaining qualified Committee members present at the meeting if constituting a quorum with the disqualified person may exercise with respect to the matter all powers of the Committee

36. MISCELLENOUS

- a. All books of account and other records shall at all times be available to all Committee members of the society, and to the commissioner or his authorized representative. A copy of the Co-operative Society Act, the society's Registration Certificate or copy
- b. A copy of the By-Laws shall be furnished to every member on request and payment of a fee to be determined by the Management Committee
- c. The society shall pay such audit and supervision fee as approved by the Management Committee and authorized by the Commissioner for Co-operative Development

37. DISSOLUTION

The society may be dissolved in accordance with the procedures set forth in the Co-operative Society Act.

38. AMENDMENT OF BY-LAWS

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

39. ACCEPTANCE

We the undersigned Executive Officers of USHURU INVESTMENT Co-operative Society Limited named herein do hereby accept and adopt these By-Laws for and on behalf of the Society together with any changes or alterations that have been initialed or signed by us.

CHAIRMAN NAME _____ SIGNATURE _____

VICE CHAIRMAN NAME _____ SIGNATURE _____

TREASURER NAME _____ SIGNATURE _____

SECRETARY NAME _____ SIGNATURE _____

CERTIFIED that the foregoing By-Laws of USHURU INVESTMENT Co-operative Society Limited have been approved by me and duly registered

Given under my hand at Nairobi this the
.....
.....

In the year.....

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT

APPENDIXES

FORM I

THE CO-OPERATIVE SOCIETIES ACT

The Secretary

P.O Box

NAIROBI

APPLICATION FOR MEMBERSHIP

I-----
of P.O Box-----
hereby make application for membership of USHURU INVESTMENT CO-OPERATIVE SOCIETY LIMITED and undertake to be bound by the Co-operative societies Act and Rules of the Society's By-Laws and regulations and the decisions of the Society's delegates meetings and Committees.

I also declare that am not a member of any other Investment Co-operative Society.

NAME-----

CURRENT ADDRESS-----

NATIONALITY----- ID No.-----

DATE OF BIRTH-----

OCCUPATION----- P/No.-----

EMPLOYER-----

HOTEL/LODGE-----

DESIGNATION ----- DEPARTMENT/SECTION-----

TERMS OF EMPLOYMENT-----

HOME POSTAL ADDRESS-----

DISTRICT OF ORIGIN-----

DIVISION-----

LOCATION-----

SUB-LOCATION-----

VILLAGE-----

Are you a member of any other Investment Co-operative Society YES/NO

(Delete whichever is not applicable).If YES state:-

Name of Society-----

MEMBERSHIP No.-----

Year membership ceased-----

Reasons for cessation of membership-----

I-----

Hereby declare that the information furnished above is true and I understand that the truth of this information shall form the basis of my membership in the Society.

Applicant's signature----- Date-----

FOR OFFICIAL USE ONLY

APPLICATION CONSIDERED ON-----

APPROVED/REJECTED BY MANAGEMENT COMMITTEE UNDER MINUTE/No--

DATE OF ADMISSION-----

OFFICER'S DESIGNATION-----SIGNATURE-----

SOCIETY RUBBER STAMP

MANAGER'S

SIGNATURE

MEMBERSHIP NUMBER:-----

DATE OF CESSATION:-----

USHURU INVESTMENT CO-OPERATIVE SOCIETY LIMITED

NOMINEE FORM

I-----M/No.-----

Of P.O Box -----ID No.-----

Hereby nominate the following as my nominee (s) in accordance with the Co-operative societies rules 2004:

1. -----of-----percentage-----

2. -----of-----percentage-----

3. -----of-----percentage-----

4. -----of-----percentage-----

5. -----of-----percentage-----

In the event either nominee is unable or unwilling to take up his dues when called upon, or pre-deceases me that nominee's dues shall be distributed to the other nominees in equal proportion.

This appointment is made at-----this-----

Day of -----by the forenamed-----

Signed-----Date-----

AND WITNESSED BY:-

1. Name of witness-----ID No. -----

Signature. -----Date. -----

2. Name of witness-----ID No. -----

Signature. -----Date. -----

THE CO-OPERATIVE SOCIETY ACT, 2004

CERTIFICATE OF RESOLUTIONS

At a delegates meeting of the members of-----

duly convened and held at-----the following resolution was duly passed: THAT BY_LAWS OF THE SOCIETY BE AMENDED AS FOLLOWS :-THE DRAFT BY-LAWS OF USHURU INVESTMENT CO-OPERATIVE SOCIETY LIMITED PRESENTED AT THE MEETING BE REGISTERED AND ADOPTED AS THE NEW BY-LAWS OF THE SOCIETY.

CERTIFIED that the above is a true copy of the resolution duly recorded as resolution No-----of-----under the provisions of Section 8 of the co-operative societies Act and that there were -----paid up members present at the meeting of whom -----voted in favour.

Authorized to sign under

Chairman-----

Secretary-----

Treasurer-----

Date-----

THE CO-OPERATIVE SOCIETIES ACT

(No.12 OF 1997 REVISED 2004)

CERTIFICATE OF AMENDMENT OF BY-LAWS

We-----Chairman and Secretary
of*-----Investment Co-operative Society limited
hereby certify-

1. That the enclosed amendment for the By-Laws was made at a Delegates meeting held on-----
- 2. That on that date there were-----members of the Society of whom-----were present in the meeting;
3. That-----members voted for the amendment were issued to all members of the Society;

Chairman

Secretary

Date-----

FORM IV A

THE CO-OPERATIVE SOCIETY ACT 2004

**ANNUAL RETURN
FOR THE YEAR.....**

(to be submitted within four months of the financial year)

1. Name of the co-operative Society.....
 2. Registration numberDate of registration.....
 3. Registration address
 4. Type of Society
 5. The liability of members is
 - a. Limited to the nominal value for each share held;
 - b. Limited to time the nominal value of each share held
 - c. Unlimited.
 6. The number of members of the Society is.....
 7. The number of shares issued is.....
 8. The nominal value of one share is Kshs.....
 9. The maximum liability, which the Society may incur in loans or deposits, is Kshs.....
 10. The total indebtedness of the Society secured by registered charge is Kshs
 11. The date the last Annual Delegates Meeting was held
 12. Particulars of offices for the financial year fromto
-Are as follows

Title of office

Name of holder

1.....

.....

2.....

.....

3.....

.....

- 4.....
- 5.....
- 6.....
- 7.....
- 8.....
- 9.....
- 10.....
- 11.....
- 12.....

13. A certified true copy of the audited accounts and balance sheet is filed herewith.

Date thisday of20.....

(Signed).....
MANAGER

FORM V

THE CO-OPERATIVE SOCIETIES ACT

INDEMNITY

TO USHURU INVESTMENT CO-OPERATIVE SOCIETY

To:
.....
.....

In consideration of your giving or continuing to give an indemnity of Kshs..... In words.....

Ijointly and severally for myself and my legal personal representatives, successors and assigns herein:

- a) Agree to keep indemnified against all actions, proceedings, liability, claims, losses, damages, costs and expenses arising from action and omissions as a consequence of my role in the misManagement of the resources of the co-operative Society in my capacity as a Member the Committee / Board;
- b) Irrevocably authorize you to offset the liability, losses, damages, costs and expenses by attaching my shares, deposits, personal property and other personal assets without prior reference to me;
- c) Irrevocably authorize you to make any payments and comply with any demands which may be claimed from or made upon you under the said indemnity without any further reference to or further authority from me and agree that it shall not be incumbent upon you to inquire whether or not any dispute exist between myself and the beneficiary of the said indemnity and further agree that any payment in accordance or purporting to be in accordance with the said indemnity shall be binding on me and shall be accepted by me as a conclusive evidence that you were liable to make such payments or comply with such demands and further that you may at time determine the said indemnity; and
- d) Irrevocably authorize you to: -

- i. Debit my share / deposit account with Kshsand to hold this amount as security margin against a liability under the said indemnity until such time as the same may discharge;
- ii. And / or agree to undertake to deposit with you upon request made by you at any time until the same indemnity shall have been released such or other securities as may be acceptable to you in full or part of your liability under indemnity.

Signed thisDay of.....

Desponded by me.....

Before.....

.....

Commissioner for oaths

