

**BY-LAWS**  
**OF**  
**MOMBASA PORT SAVINGS AND**  
**CREDIT CO-OPERATIVE SOCIETY**  
**LIMITED**

**CS/1726**

## **PART 1**

### **NAME, AREA OF OPERATION AND POSTAL ADDRESS**

#### **1. NAME AND AREA OF OPERATION**

Society shall be called:-

Mombasa Port Savings and Credit Society Limited here in after referred to in these By-laws as the Society and its area of operation shall be within the Republic of Kenya.

#### **2. REGISTERED OFFICE AND POSTAL ADDRESS**

The registered office of the Society shall be at:-

Mombasa Port Co-operative Building on plot Block No. XIX/232 along Mwakilingo Road off Cannon Towers Postal address P.O BOX 95372, MOMBASA. Notice of any change of postal address shall be given to the Commissioner for Co-operative Development, SASRA and to all members of the Society.

## PART II

### **3. DEFINITIONS/INTERPRETATION /OBJECTS AND CO-OPERATIVE PRINCIPLES**

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

Act of 2008, the Co-operative Societies Rules (Deposit Taking SACCO Business) 2010, the Co-operative Societies Act No. Cap.490 and the Co-operative Societies Rules referred herein to as “The Act” and “The Rules” respectively and shall include their subsequent amendments.

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

- i. General Meetings be read as “Annual or Special Delegates Meeting”
- ii. “Management Board” shall be read as “Board of Directors”
- iii. Zonal General Meeting-means Meeting of members of that particular Zone.
- iv. “Tribunal” means the Co-operative Tribunal established under the Act to hear and determine disputes.
- v. “Commissioner means “Commissioner for Co-operative Development and marketing”.
- vi. “SASRA ” means SACCO Societies Regulatory Authority,
- vii. “Co-operative Act” refers to the Co-operative Societies Act No.12 of 1997and (Amendment) Act, No. 2 of 2004 and subsequent amendments.
- viii. “Core capital” means the fully paid up members’ shares, capital issued, Disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the Society.
- ix. “Date of Dissolution” means the date on which the Commissioner’s order cancelling the registration of the Society takes effect.
- x. “Delegate” means members’ representative elected in accordance with these By-Laws.

- xi. “Deposits” means a sum of money paid on terms under which it shall be repaid, with or without interest or premiums, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the Society to receive it at a risk of the Society receiving it”.
- xii. “Dividends” means the share of a Society’s surplus allocated to members or an amount of the profit the organization pays to the people who own shares in the Society.
- xiii. “Electoral Zone” means a cluster of members in a location eligible for representation by a delegate in accordance with these By-Laws
- xiv. “Delegates Meeting” means Annual Delegates Meeting or Special Delegates Meeting of the Society.
- xv. “Rules” means the Rules made by the Minister in charge of Co-operative Development and include the Co-operative Societies Rules, 2004 and subsequent amendments.
- xvi. “Regulations” means the Regulations made by the Minister in charge of Co-operative Development and includes the SACCO Regulations (Deposit-taking SACCO Business), 2010 and subsequent amendments.
- xvii. “SACCO Act” means the SACCO Act,2008 and subsequent amendments.
- xviii. “Special Delegates Meeting” means any Delegates Meeting of the Society which is not an Annual Delegates Meeting.
- xix. “Special Resolution” means a resolution passed by two thirds of the members present and voting at a Delegates Meeting of the Society.
- xx. Any questions concerning interpretations of these By-Laws or any matters not provided for herein, errors and omissions shall be referred to the Co-operative Tribunal. Any party to the proceedings before the Tribunal who is aggrieved by the award of the Tribunal may appeal against such order to High Court as per Co-operative Societies Act Section No.81

**4. (a). The objects for which the Society is established are:-**

- i. To promote thrift among its members by affording them an opportunity for accumulating their savings 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.
- ii. The Society may operate a benevolent fund for its members.
- iii. The Society may operate a Front Office in accordance with rule No. 52, SACCO Act and the Regulation.
- iv. The Society may invest in fixed assets in accordance with the By-Laws and Regulations in force
- v. Ensure the progress of its members by educating them continuously on the proper use of financial products and services.
- vi. For the attainment of the above objects, the Society may do all its acts and things that are permissible under the Act, Rules, SASRA and these By-laws and all such other things as are incidental or consequential to the economic enhancement of its member's interest provided such Act is approved by the members in a Delegates Meeting.

**(b). CO-OPERATIVE PRINCIPLES**

In its operations, the Society shall be guided by the following international co-operative principles:-

- (i) 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.
- (ii) Democratic member control  
The Society will be fully controlled by members who will have equal rights on the basis of one member one vote.
- (iii) Economic participation by members  
Members shall contribute equitably to the Capital of the Society and Share in the results of its operations.

- (iv) **Autonomy and independence**  
The Society shall operate on a mutually acceptable terms with its stake holders who will ensure its autonomy and independence.
- (v) **Education, training and information**  
The Society shall foster reciprocal, on-going education programmes for members, leaders, staff and the community so that they can teach and learn from each other or from the appropriate resource persons in understanding and carrying out their respective roles.
- (vi) **Co-operation among Co-operatives**  
In order to better service the interests of the members and the community, the Society shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.
- (vii) **Concern for community in general**  
The Society may show concern to the community in which it exists and operate (SCR).

### **PART III.**

#### **VISION, MISSION AND VALUES.**

##### **5. VISION.**

The vision of Mombasa Port Sacco is:-

“To be a model Financial Institution of choice in the African Continent”

##### **6. MISSION.**

To be a financial power house that strengthens the economic wellbeing of her stakeholders through continued provision of financial products and services tailored to suit their requirements within the ambit of co-operative principles and internationally accepted best practices

##### **7. VALUES OF THE SOCIETY.**

The Society will be guided by the following values.

- i. Creativity and innovation
- ii. Mutual responsibility
- iii. Equality and Equity
- iv. Social responsibility
- v. Integrity and Transparency
- vi. Excellent customer service
- vii. Professionalism

## PART IV

### **8. MEMBERSHIP/NOMINEE/DISPUTES/FINES**

#### **MEMBERSHIP COMPOSITION**

Members shall consist of the following classes:-

##### **(a). CLASS ‘A’ MEMBERSHIP**

- i. Original members i.e. KPA employees and employees of the SACCO.
- ii. New members subsequently admitted in accordance with these by-laws.

##### **(b). CLASS ‘B’ MEMBERSHIP.**

- i. Pensioners whose salaries and contributions pass through the FOSA and external members who are employees of vetted companies and government institutions and Parastatals who have signed the required Memorandum.

##### **(c). CLASS ‘C’ MEMBERSHIP.**

This shall consist of account holders in our FOSA section who are not BOSA members.

- i. Micro finance account holders.
- ii. Registered Corporate Organizations and Groups.
- iii. Any other members who do not fall under class ‘A’ and ‘B’ member.

### **9. ELIGIBILITY TO MEMBERSHIP**

#### **(a). CLASS “A” MEMBERSHIP**

A person of either sex shall be eligible for membership who possess the following qualifications:-

- i. Is not less than eighteen years of age.
- ii. Is of good character and sound mind.



- iii. Pays the admission fees of Ksh 500 and a minimum share capital worth Ksh 5,000 or any other amount that may be prescribed in these By-laws.
- iv. Provided that no member shall belong to more than one SACCO Society serving similar purpose.

**(b). CLASS “B” MEMBERSHIP**

A person of either sex shall be eligible for membership who possess the following qualifications:-

- i. Is not less than eighteen years of age.
- ii. Is of good character and sound mind.
- iii. Pays the admission fees of Ksh 500 and a minimum share capital worth Ksh 5000 as prescribed in these By-laws.
- iv. Provided that no member shall belong to more than one Sacco Society serving similar purpose.

**(b). CLASS “C” MEMBERSHIP**

A person of either sex shall be eligible for membership who possess the following qualifications:-

- i. Is not less than eighteen years of age.
- ii. Is of good character and sound mind.
- iii. Pays the admission fees of Ksh 500 and share capital of Ksh 500 as prescribed in these By-laws.
- iv. Provided that no member shall belong to more than one Sacco Society serving similar purpose.

**10. APPLICATION FOR MEMBERSHIP**

- i. Every applicant for membership shall complete an “Application for membership” form.
- ii. This form may be drawn so as to show all the information required for the purpose of a Register of members.
- iii. The completed form, when filled in serial order, shall constitute the Register of members as required under the rules.

## **11. ADMISSION INTO MEMBERSHIP**

- i. An applicant shall be admitted to membership up on satisfaction of the requirements of each category as per the By-Law 9. (a), (b) and (c).
- ii. Upon admission the member shall be entered in the membership register and a membership/account number issued.
- iii. The member shall pay for a copy of the Society by-laws at its actual cost subject to a minimum of Ksh 200 (cost of production of this document) to the Society.

## **12. REFUSAL OF ADMISSION**

The Board may refuse admission to a person after assigning reasons for their decision. Such a person shall have the right to appeal to the Delegates Meeting and further as provided in the Co-operative Societies Act, the Rules, SASRA and these By-laws.

## **13. CANCELLATION / CEASATION OF MEMBERSHIP.**

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

- i. Death
- ii. Being expelled from membership
- iii. Withdrawing all his deposits
- iv. Ceasing to hold the qualifications stated in By-laws 9 (a) and (b).
- v. Becoming certifiably insane, provided that a member may not be disqualified on grounds of transfer or retirement.
- vi. Transferring shares to another member.

## **14. WITHDRAWAL FROM MEMBERSHIP**

- i. A member may at any time withdraw from the SACCO Society by giving a written notice of thirty days. Payment will be effected within 30 days after the expiry of the notice period.

- ii. Partial withdrawal of non-withdrawable deposits from the SACCO Society shall not be allowed.

**15. SUSPENSION /EXPLUSION OF MEMBERS**

The Board may suspend a member pending expulsion by the Delegates Meeting who:-

- i. Fails to fulfill his/her obligation to the SACCO Society whether stated in these by-laws, general internal regulations, a resolution of the Delegate Meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed.
- ii. Is convicted in court of a criminal offence involving dishonesty, or imprisoned for a period exceeding three months.
- iii. Is a member of another SACCO Society serving similar purpose.
- iv. Acts in any manner prejudicial to the interests of the Society.

Provided that no member shall remain in suspension for a period of not more than twelve (12) months.

**16. APPEAL AGAINST SUSPENSION**

A member so suspended shall have the right to appeal to the next Delegates Meeting convened in accordance with these By-laws, which may reinstate him.

**17. REFUND TO WITHDRAWING AND EXPELLED MEMBERS**

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

- i. The total deposits less any outstanding debts including guarantor, provided, however, the Board may require minimum of 60 days written notice of intention to withdraw deposits.
- ii. Any dividends or interest due to him on the date membership ceased. Any other sums held by the Society on his/her behalf.

- iii. The Society will assist the member in selling his/her shares to willing members of the Society and refund the proceeds thereof to the member.

**18. APPOINTMENT OF NOMINEES.**

Every member shall nominate in writing one or more person to whom, on his death, his deposits, share or any interest and dividend shall be transferred. The nomination shall be signed by a member in the presence of two attesting witness. Each such nomination shall be sealed by an officer of the Society in the presence of member concerned in a separate cover subscribed with the word “Nomination of Nominee”. All such sealed covers shall be treated as “Confidential” and shall be kept securely under lock and Key in the personal custody of the C.E.O.

**19. REFUND OF A DECEASED MEMBER’S BENEFITS**

In the event of 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 pay to the nominee the value of the deceased member’s deposits, interest or dividend after deducting such sums as may be due by the members to the Society. The Society may assist the nominee to sell the deceased members shares and refund to him or her proceeds thereof.

**20. ADMISSION OF A NOMINEE INTO MEMBERSHIP**

A nominee shall have the option to be admitted to membership as long as he/she belongs to the same class of membership as the deceased member. On admission to the membership of such a nominee, the shares and deposits and interest/dividend due to the deceased member shall be transferred in the name of that nominee who shall also be responsible for repayment of loans and other amount if any due to the deceased member of the Society.

**21. SETTLEMENT OF DISPUTES**

If any dispute arises concerning the business of the Society in relation to:-

- i. Claims of any debt or demand due to it from a member or past members or

- ii. Between members, past members or deceased members, nominee(s) and the Society, its committee or any officer of the society or
- iii. Between the society and other Society and the Authority which cannot be settled by the Board or the Delegates Meeting shall be referred to the Co-operative Tribunal as dispute and appeal taken to the High Court.

## **22. FINE FOR BREACH**

For any breach of these by-Laws, or instructions issued by the Board or for failure of member to pay his obligation on time, the defaulting member may be fined an amount not exceeding shs.20,000/= for each offence.

## **PART V**

### **SOCIETY'S FUND'S/SHARES/DEPOSIT**

#### **23. FUNDS**

The funds of this Society shall consist of:-

- i. Admission fees
- ii. Paid up members shares
- iii. Deposits or loans from members or non-members
- iv. A reserve fund as required by law and such other reserves as may be established, with the approval of delegates.
- v. Any surplus resulting from operations of the Society and
- vi. Funds obtained from lawful miscellaneous sources.

#### **24. INVESTMENT OF FUNDS**

The Society may invest or deposit the funds only in viable institutions which may include:-

- i. The Post Office Savings Bank
- ii. Investment and securities that are for the time being authorized for the investment of Trust Funds.
- iii. Any other co-operative Society.
- iv. Any bank licensed under the banking Act
- v. Stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya. All above investments must be approved by a resolution of the Board.

#### **25. APPLICATION OF FUNDS**

The funds of the Society shall be applied to the promotion of the stated objectives and purposes of the Society as set forth in these by-laws.

## **26. MODE OF PAYMENT AND MEMBERS RECORDS**

The Society will be using the “check –off-system” for payment on member’s shares and deposits, and for loan repayments or any other mode of payment predetermined by the Board. A periodic statement of accounts containing a record of the members transactions with the Society shall be prepared and such statement shall be sent to every member on half yearly basis as advice to his shares and loan recoveries and the Society will reconcile the member’s record’s with the records of the Treasurer.

## **SHARES AND DEPOSITS**

### **27. SHARE VALUE, MINIMUM/MAXIMUM OF SHARE HOLDING**

The nominal value of each share shall be Kshs. 20/= and every member shall hold at least 250 shares for Class “A” and Class “B” members and at least 25 shares for Class “C” members in the Society or more but no member shall hold more than one fifth of the total shares in the Sacco or as shall be determined by the Delegates Meeting from time to time.

### **28. MONTHLY DEPOSITS**

Any amount may be accepted as monthly contribution provided however, that the Board may fix a minimum amount that may be paid by a member at any one time with the approval of the Delegates Meeting.

### **29. TRANSFER OF SHARES**

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

### **30. PROCEDURE FOR TRANSFERRING SHARES**

All transfers must be registered with the Secretary, and no transfer shall be valid unless so registered. A fee of Kshs 200/= shall be payable by the present holder for each such transfer.

**31. NON REFUNDABLE SHARES.**

No member shall be refunded his shareholding at all but may transfer to another member or nominee(s).

**32. POWER TO BORROW**

- i. Loans may be obtained from members and non-members subject to the maximum approved by the Delegates Meeting.
- ii. The purpose of securing of any loans accepted by the Society under paragraph (i) above, the Society may grant a charge over its assets and the authority to grant a charge shall be reserved to the Delegates Meeting or delegated to the Board and approved by the Commissioner as per rule 34 (3).

**33. INTEREST RATES ON DEPOSITS AND LOANS**

The rate of interest on deposits, or loans shall not exceed the current market rates.

**34. RECEIPT FOR MONEY.**

- i. Money paid in or out on account of shares deposits, loan interest, fees or fines shall be evidenced by a printed receipt in a form to be approved by the Board. Every person receiving or paying any money on behalf of the Society shall be identified on the receipt.
- ii. Should the receipt given to the member by the Society be or lost destroyed, immediate notice of such fact shall be given by the C.E.O. who may be authorized by the Board to issue duplicate receipt. The Board may also require payment to the Society of a reasonable charge to cover the cost of issuing the duplicate receipt.

**35. RESERVE FUND**

- i. The Society shall maintain a Statutory Reserve Fund as required by the Act, SASRA and Rules. The Society shall credit one fifth or 20% of the net surplus of each financial year to the Reserve Fund account.
- ii. The Reserve Fund shall be indivisible and no member shall be entitled to claim a specified amount of the Reserve Fund.



- iii. No withdrawals shall be made from the Reserve Fund of the Society without the consent in writing of the commissioner and any such withdrawals shall be made good from the net available funds accruing to the Society if the commissioner so directs
- iv. The Society shall carry out Annual audit of the Reserved Fund account.

**36. CASH RESERVE**

The Cash Reserve shall be maintained at not less than 15% of the total share capital and deposits 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 current account the Society's savings account, and any fixed deposits.

## **PART VI**

### **MEMBERS RIGHTS, OBLIGATIONS AND LIABILITIES**

#### **37. MEMBERS RIGHTS**

##### **The rights of a Class ‘A’ member shall include:-**

- i. Attend and participate in decisions taken at all Delegates Meetings of the Society and vote through delegate system.
- ii. Be elected to organs of the Society, subject to the society’s by-laws.
- iii. Elect only capable officers to the organs of the Society subject to the By-Laws.
- iv. Enjoy the use of all the facilities and services of the Society subject to these By-Laws.
- v. Appoint a nominee
- vi. Access all legitimate information relating to the Society, including internal regulations, register of minutes of Delegates Meetings, Supervisory Committee reports, Annual accounts and inventories, investigation reports, at the Society’s Head Office.
- vii. Demand for a Delegates Meeting adhering to the provisions of the Act.

##### **The rights of a class ‘B’ member shall include the following:-**

- i. Enjoy the use of all facilities and services of the Society subject to these by-laws.
- ii. Appoint a nominee.
- iii. Access all legitimate information relating to the Society including internal regulations, register of minutes of Delegates Meeting, Supervisory Committee reports, Annual accounts and inventories, investigation reports at the Society’s Head Office.
- iv. They shall have no voting rights neither attend Annual Delegates Meetings.

### **38. MEMBERS OBLIGATION AND LIABILITIES**

A member of this Society shall have the following obligations and liabilities:-

- i. Observe and comply with the Society By-Laws and decisions taken by the relevant organs of the Co-operative Society in accordance with these by-laws
- ii. Buy and pay up for shares or make any other payments provided for these By-Laws.
- iii. Meet the debts of the society in case of bankruptcy/insolvency in accordance with the provisions of Act and these by-laws.
- iv. Repay his obligations with the Society such as loans granted.
- v. Repay all loans guaranteed in case of default.

### **39. LIMITS OF A MEMBER**

- i. The liability of a member shall be limited to the nominal value of the shares and deposits held by him/her.
- ii. In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares and deposits held by members, the funds shall be distributed pro-rata among the shareholders and depositors according to the amount of shares and deposits held by each.

## **PART VII**

### **MEETINGS**

#### **40. ZONAL DELEGATES MEETINGS**

- i) Zonal Meetings shall take place every year within ninety days after the close of the Society's financial year and shall consist of all members of the zone.
- ii) Board or two thirds of members of the zone shall have powers to convene zonal Meetings.
- iii) A zonal Meeting shall be presided over by the zonal representative and in his absence, zone members may nominate a representative to preside.

#### **41. FUNCTIONS OF THE ZONAL DELEGATES MEETINGS**

- i) Pass information to the members
- ii) To consider views/ recommendations for consideration by the Board.

#### **42. ZONAL REPRESENTATIVES**

1. The Society shall have 9 (nine) Zones and these are:-
  - i. **Zone A** - AGF Section, BC Section and Marine Operations,
  - ii. **Zone B** – DE. Section, K. Section, Health Safety and Fire.
  - iii. **Zone C** – MCC One stop Centre, Roro and Lamu.
  - iv. **Container Operation Zone** – Labour, Operators, Export, Shipment, Boardroom, Empties ICD Kisumu, ICD Nairobi.

- v. **MD'S Office Zone** – Audit Section, Security, Corporate, and Legal.
  - vi. **External/Pensioners** – Pensioners, other External Members.
  - vii. **Human Resource Zone** – Employee Relations, Medical, Human Resource, Administration, Pension Administration, Bandari College.
  - viii. **Finance Zone** – Financial Accounts, Procurement, Management Accounts and Commercial.
  - ix. **Engineering Zone** – Terminal Engineering, Conventional Cargo Engineering, Infrastructure and Projects, Marine Engineering.
2. Zonal representatives shall be the sole representatives of their zones in the Board. They shall be members of the Board and shall have equal votes in all matters of the Board.
  3. The zonal representatives shall be elected for a period of three years subject to the retirement on rotational basis and may stand for re-election for another term.
  4. Any zonal representatives who without any justifiable cause fails to attend three consecutive zonal Meetings shall be disqualified and the Meeting shall elect another member to replace the disqualified representative/delegate.
  5. Every section within a zone should be represented whether large or small where the Society has members in each zone.
  6. The representation shall consider the number of members in a sectional/department geographical location, professionalism and area of coverage.
  7. The minimum number of delegates in a zone shall be five.

#### 43. **DELEGATES MEETINGS**

- (a).The supreme authority shall be vested in the Delegates Meeting, which shall be constituted by the delegates who shall not be more than 120

members who shall have the power to attend, participate and vote on all matters. The Delegates Meetings shall be held as follows:-

- (i) The Annual Delegates Meetings shall be held every year within 120 days after the close of the financial year to undertake such business as is laid down in these By-Laws such as to read the Balance sheet and get it adopted, approve payments such as dividends/ interest to members, to approve budgets, honoraria Bonus and appoint auditors.
- (ii) Any business not completed at the Annual Delegates Meeting (if not received by time of the Meeting) may be taken up at a subsequent Delegates Meeting.

(b). A Special Delegates Meeting shall be held as follows:

- i. When convened by the Board
- ii. i). Within 15 days of receipt of a written notice from at least 40 or one- fifth of the delegates or a half of ordinary members.  
ii). If the Board fails to convene the Meeting within 15 days of receiving the notice in (i) above, the delegates or members demanding the Meeting may themselves convene the Meeting by giving the notice to the other delegates or members stating the objects and reasons for the Meeting and the fact that he Board has failed to convene the Meeting.
- iii. When convened by the commissioner as per sec 27 (8) of the Act, who may direct the matters to be discussed.
- iv. Except as noted in (c) above, at least fifteen days' notice shall be given in the case of as Annual Delegates Meeting or special general. The CEO shall take all the possible steps, such as announcements at the public Meeting, posting a notice on the Society's notice board, an advertisements in the local newspaper or news-sheet or newsletters etc. to inform all the members or delegates of the date and main business of the Meeting. All written notices shall include a statement of the business to be dealt with.

44. **PROCEDURE FOR A SPECIAL DELEGATES MEETING.**

For a Special Delegates Meeting requested by the delegates/ members the request must state the object being called and be signed or thumb marked by the requesters. The request shall be deposited in the registered office of the Society, which must be in consistence with by-law 43 (a) (ii).

45. **QUORUM FOR THE DELEGATES MEETING**

Except when convened by the Commissioner, the presence of at least a 51 delegates or three quarters of the total number of the delegates/members shall constitute a quorum for the conduct of the business at a Delegates Meeting. When a quorum is not present, the Chairman shall adjourn the Meeting and shall fix the date within one month for the adjourned Meeting, which shall be advertised. If at such a Meeting a quorum is again not present the Chairman shall declare the Meeting open with those present one half hour after the advertised time of the Meeting.

46. **ROLE OF THE CHAIRMAN**

The chairman or in his absence, the Vice Chairman shall preside at every Delegates Meeting. In their absence any Board member/ delegate elected by a majority of those present shall preside.

No person shall serve as Chairman for more than two consecutive terms and no person who has held office for two consecutive terms shall be eligible as Chairman for a period of three years from the date of vacation of office.

47. **IDENTIFICATION OF THE DELEGATES**

Before they may attend or vote at a Delegates Meeting shall be required to produce evidence of their membership.

48. **POWERS AND DUTIES OF DELEGATES MEETINGS**

General Meetings of the delegates shall be conducted, and shall have powers and duties prescribed in the rules and these by-laws. The delegates shall:-

- i. Consider the minutes of the previous Meeting and consider matters arising there from.

- ii. Consider the statements of account, the auditor's report, the inspection notes of the commissioner, and the reports.
- iii. Subject to By-law 76 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 Board, and give direction to the new Committees where necessary.
- v. Consider appeals against the suspension of members' refusals to membership by the Board and other Committees.
- vi. Elect, suspend, or remove members of the Board and the Supervisory committee.
- vii. Fix the maximum liability which the Society may incur in loans and deposits, whether from members or non- members.
- viii. Approve the estimates of income and expenditures for the next financial year at least three (3) months before the end of the preceding financial year.
- ix. Fix the honorarium to Board members, bonus to employees, commissions and other payments if any for any retiring employees.
- x. Appointment of auditors.
- xi. Appointment of returning officer for the Society election when due. expel a member who has acted prejudicial to the interests of the Society.
- xii. Elect delegates to represent the Society in a Co-operative Union or the apex Society of which this Society is a member, and
- xiii. Transact any other general business of the Society of which notice has been given to members/ delegates in the manner prescribed in these by laws.

#### **49. MINUTES**

All the business discussed or decided at the Delegates Meetings shall be recorded in a minutes book which, within one week of the Meeting, shall be signed by the chairman and at least one other Committee member who was present at the Meeting to verify that in their opinion the minutes are true and complete records of all important 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 alterations to the original record the Meeting shall by resolution, authorize its chairman to sign and date the final record.

**PART VIII**  
**GOVERNING BODY**

**50. BOARD OF DIRECTORS**

The Board shall be governing body and shall be elected by and from the delegates and shall consist of 9 members. All Board Members shall be at least 18 years of age and a maximum of 65 years. The Board shall include the Chairman, Vice Chairman, Treasurer and Secretary, all of whom shall be elected by the Committee from amongst the members of the Board.

**51. (a). COMPOSITION OF AND QUALIFICATION OF THE BOARD.**

The Board shall consist of 9 members, and such persons shall not be member of the Board if he/she:-

- i. Is not a fully paid up member of the Society.
- ii. Is less than eighteen year of age.
- iii. Is unable to read and write, should at least be a holder of “O” level Certificate and above.
- iv. Receives any remuneration, salary or other payment from this Co-operative Society in accordance with the Act.
- v. Is a Board member in other Co-operative Societies with similar objectives.
- vi. Being a member of the Society, lends money to members on his own account.
- vii. Has not, within thirty days of being appointed, declared his wealth to the Commissioner in the prescribed manner.
- viii. His an undischarged bankrupt.
- ix. Is of unsound mind.
- x. Has been adversely named by the Commission of inquiry report adopted by a Delegates Meeting for mismanagement or corrupt practices while a member of the Board.
- xi. Has been convicted an offence involving dishonesty or sentenced to imprisonment for a term exceeding three months.

- xii. Has been convicted of any offence under the Act or rules made thereunder.
- xiii. Has any unsettled debt owing to a Co-operative Society at the end of its financial year other than in respect of a loan under the provision of any rules made under the Act.
- xiv. Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the Act.
- xv. Has not attained deposits above Ksh. 400,000.
- xvi. His/her salary does not pass through Fosa for KPA members.
- xvii. Within 14 days after their election, the names and addresses of all persons elected to office shall be forwarded by the secretary to the Commissioner.

**(b) COMPOSITION OF AND QUALIFICATION OF THE DELEGATES.**

The Delegates shall be in the meantime 100 and may be reviewed to a maximum of 120 members, and such persons shall not be a Delegate if he/she:-

- i. Is not a fully paid up member of the Society.
- ii. Is less than eighteen years of age.
- iii. Is unable to read and write, should at least be a holder of “O” level Certificate and above.
- iv. Receives any remuneration, salary or other payment from this Co-operative Society in accordance with the Act.
- v. Is a member in other Co-operative Societies with similar objectives.
- vi. Being a member of the Society, lends money to members on his own account.
- vii. His an undischarged bankrupt.
- viii. Is of unsound mind.
- ix. Has been adversely named by the Commission of inquiry report adopted by a Delegates Meeting for mismanagement or corrupt practices while as Delegate.
- x. Has been convicted of an offence involving dishonesty or sentenced to imprisonment for a term exceeding three months.

- xi. Has been convicted of any offence under the Act or rules made thereunder.
- xii. Has any unsettled debt owing to a Co-operative Society at the end of its financial year other than in respect of a loan under the provision of any rules made under the Act.
- xiii. Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the Act.
- xiv. Has not attained deposits above Ksh. 300,000.
- xv. His/her salary does not pass through Fosa for KPA members.
- xvi. The new Board may not take office until items (a) to (m) under By-law 45 have been dealt with. Thereafter the new Board will execute indemnity of an amount to be determined by the Board.

**52. TENURE OF OFFICE FOR BOARD**

Members of the Board shall be elected for a term of three years and are eligible for re-election subject to one third rotation rule.

**53. BOARD MEETING.**

- i. Board Meetings shall be held at least once in a Month. At least one half of the total number of members of the Board shall form a quorum for the disposal of business.
- ii. If a member of the Board fails to attend 3 consecutive Meetings without being excused thereof, or otherwise fails to perform his duties, his position may be declared vacant and the vacancy filled as provided in these by-laws.
- iii. The majority members of the Board may for good cause suspend a Board member subject to ratification by the Delegates Meeting.

**54. DUTIES OF THE BOARD.**

The Board being the governing body shall subject to any directions from the delegates, generally direct the affairs of the Society, its procedures, powers and duties shall be prescribed in the Act, rules SASRA and these by-laws and in particular it shall:-

- i. Observe in all its activities the Act, the rules, SASRA, these by-laws and prudent business practices.
- ii. Act upon all applications for membership.
- iii. Ensure that true and accurate records and accounts are kept of the Society's money, and its properties, capital reserves, liabilities and income and expenses.
- iv. Decide the amount and kind of surety bond, or other security, which shall be required of the Treasurer, Secretary, and any other officer or employee having the custody of, or handling funds or property of the Society.
- v. Recommend from time to time the interest rates on loans (subject to the maximum permitted by by-law 83) the maximum amount that may be loaned with or without security to any member. When, by action of the Committee, the interest rates on future loans are reduced, similar action may be taken with regard to interests rates on unpaid balance of existing loans.
- vi. Lay before the Delegates Meeting the balance and final accounts together with proposals for the disposals of the net surplus (if any), and the auditors comments on such proposals within four months after the closure of the previous year.
- vii. Recommend to the Meeting the dividend rate to be paid on shares and the interests refund (if any) to be paid to the borrowers.
- viii. Fill vacancies occurring in the Board and Sub-Committee between the Delegates Meetings.
- ix. Recommend investments of the Society.
- x. Authorize the conveyance of the property with the approval from the Delegates Meeting.
- xi. Authorize borrowing and lending operations of the Society in accordance with the Acts and Rules.
- xii. Designate a depository, or depositories, for the funds of the Society.
- xiii. Employ and fix the compensation of a CEO's and such other employees as may be necessary to carry on the business of the Society.
- xiv. Impose fines under by-law 19.

- xv. Approve transfer of shares between members.
- xvi. Determine the interest rates, which shall be paid on deposits and on borrowed money.
- xvii. Enter into contracts.
- xviii. To institute and defend suits and other legal proceeding brought in the name of or against the Society.
- xix. File Annual returns and monthly remittance returns to the Regulator within four months after the close of a financial year and on every 15<sup>th</sup> day of every month respectively.
- xx. Prepare and present a budget to the Delegates Meeting for approval at least three months before the end of the preceding year.
- xxi. Supervise the collection of loans to members and recommend the write-off of bad debts to the Delegates Meeting.
- xxii. Affiliate the Society to a Co-operative union of savings and Credit Society, or an Apex Society, subject to approval of the Delegates Meeting.
- xxiii. Perform such other duties as the members may from time to time direct, and
- xxiv. Perform or authorize any actions consistent with the Act, Rules, SASRA and these by- laws, unless specifically reserved for the delegates Meeting.

## **55. LEGAL STANDARD OF CARE AND INDEMNITY**

- i. In the conduct of affairs of this Society, the members of Board shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally responsible for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, Rules, SASRA, the By-laws or the directions of the Delegates Meeting.
- ii. Every Committee member shall, pursuant to section to section 27 (b) of the Act file an indemnity form, whose amount shall be determined by the Delegates Meeting and shall be lodged with the Commissioner within fourteen days of his election to the Board.
- iii. A Board member who fails to comply with the requirements of by-law 52 (b) above shall automatically cease to be a member of the Board.

**56. DELEGATION OF DUTIES**

The Board may delegate to any officer or employee of the Society such of its powers as it deems necessary, provided that nothing herein shall absolve the Board from overall responsibility of running the affairs of the Society in a proper and businesslike manner.

**57. EXPENDITURE**

- i. The expenditure for the Society for the preceding year must first be approved based on actual budget estimate three months before the end of the year.
- ii. No expenditure shall be authorized by the Board unless it is provided for in the estimates formally approved as in 54(a) above.
- iii. Purchases and procurements of materials and services must be done strictly in accordance with the public procurement regulations.

**58. MINUTES OF THE BOARD MEETING.**

All business discussed or decided at Board Meeting shall be recorded in a minute's book which, within one week of the Meeting, shall be signed by the chairman and Secretary of the Meeting to verify, that, in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the Meeting. At the next Meeting, after approving any alterations, or variation, 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.

**59. APPOINTMENT OF SUB-COMMITTES**

The Board may appoint other Committees, such as an Education committee, Credit Committee, Audit committee, Finance and Administration etc.

**60. CEASSATION OF OFFICE**

A member of the Board or any other Committee shall cease to hold office if he/she cease to be a member of the Society.

**61. DELEGATION TO SUB-COMMITTEE**

The Board may delegate to the Committee such of its powers and duties under these By-laws as it may deem fit provided that nothing herein shall absolve the Board from overall responsibility.

**62. OFFICE BEARERS**

The Chairman, the Vice Chairman, the Treasurer and the Secretary shall be termed “office bearers” of the Society and shall be elected at a Meeting of the Board within seven days of the Annual Delegates Meeting for a term of 3 years subject to one third rule. The officers must be at least of an ordinary level of education standard.

**63. DUTIES OF THE CHAIRMAN**

- i. The chairman shall preside at Meetings of the members and at Meetings of the Board. He shall perform such other duties as he may be directed to perform by Board, in consistent with provision of the Act, the rules, SASRA and these by-laws.
- ii. The vice- Chairman shall perform the duties of the Chairman during his absence, and shall perform such other duties as he may be directed to perform by the Board.

**64. DUTIES OF THE HON. SECRETARY**

- i. To record minutes of the Board and Delegates Meetings.
- ii. To prepare and send notice of Meetings.
- iii. Ensure safe custody of the Society documents
- iv. To do any other duties as may be directed by the Board.

**65. DUTIES OF THE TREASURER**

The powers and duties of the Treasurer shall be:-

- i. To ensure that the financial affairs of the Society are managed in a competent manner.
- ii. To ensure full and complete record of all assets, liabilities, income and expenses of the Society are maintained.



- iii. To ensure the safe keeping of the Society's money, securities and books of accounts.
- iv. To ensure that all payments and expenditure are duly authorized and
- v. To ensure the compliance with all directives of the Board and Delegates Meeting. Within 15 days after the close of each month, the Treasurer shall cause to be prepared and submit to the Board a financial statement in a promptly posting of a copy of such monthly financial statement in a conspicuous place for the information of the members. He shall cause to be prepared and forwarded to the Commissioner and Delegates Meeting such financial reports as he may require.

66. **BOARD COMMITTEES**

(a). **CREDIT COMMITTEE**

The Credit Committee shall consist of 3 members of the Board, one of whom shall be executive officer. The Credit Committee shall be elected at a Meeting of the Board within seven days after a Delegates Meeting for a 3 year term whose Chairman shall be the Vice Chairman or any Board member deemed fit.

(a). **CREDIT COMMITTEE MEETINGS.**

The Credit Committee shall as far as possible and subject to there being sufficient business for it to transact, meet once a week.

(b). **DUTIES OF THE CREDIT COMMITTEE**

- i. The Credit Committee shall inquire carefully into the character and financial conditions of each applicant for a loan, and of his guarantors, to ascertain his ability to repay fully and promptly the obligation incurred by, and to determine whether the loan is of worthy purpose and will be of probable benefit to the borrower. The Credit Committee shall endeavor to assist members to solve their financial problems.
- ii. The Credit Committee shall make reports to the Board as they may require, and shall make an Annual report to the Delegates Meeting.

(b). **FINANCE AND ADMINISTRATION COMMITTEE**

The Finance and Administration Committee shall be composed of a minimum of three members appointed from the Board one of who shall be the Treasurer. The Finance Manager shall be the Secretary to the Committee.

(a). **DUTIES OF THE FINANCE AND ADMINISTRATION COMMITTEE**

The duties of the Finance and Administration Committee shall include:-

- i. To cause the drafting of the budgetar estimates, overseeing the approval
- ii. process, its implementation and control.
- iii. Monitoring the Society's monthly cash projections and cashflow and recommending appropriate corrective actions to the Board.
- iv. Causing to be prepared the liquidity and savings policies and overseeing their implementation, including the liquidity contingency plan.
- v. Oversight in the proper, efficient management and coordination of the Society's activities, resources and departments
- vi. Board and staff Welfare matters.
- vii. Any other duties assigned by the Board and as may be prescribed in the Board of Directors Charter.

(c). **EDUCATION COMMITTEE**

The composition shall be the chairman of the education committee and 2 committee members. The education committee shall ensure that members, delegates, Supervisory Committee and staff are trained. The Committee shall acquire co-operative literature on behalf of the Society.

(e). **SUPERVISORY COMMITTEE**

- i. The Supervisory Committee is an independent Committee, which shall consist of three (3) members who shall be elected at the Delegates Meeting. No member of the Board shall be elected to the Supervisory Committee. The Supervisory Committee shall hold office for a period of three years and members of their committee shall retire annually. One of the members of the Supervisory Committee must hold at least a proven accounting record supported by at least a Certificate.
- ii. Notwithstanding the provision of (a) above, any member of the Supervisory Committee may be removed by a resolution of a Delegates Meeting.

(a). **DUTIES OF SUPERVISORY COMMITTEE**

- i. The Supervisory Committee shall make, or cause to be made, at least once every three months, an investigation into the affairs of the Society, including an audit of its books and shall make a report thereof to the next Meeting of the Board.
- ii. The Supervisory Committee shall also make a yearly report to the Annual Delegates Meeting.
- iii. The Supervisory Committee shall, from time to time and not less frequently than once in 2 years, cause the statement of accounts and of all members.
- iv. The Committee shall maintain a permanent record of all search verifications.
- v. To generally counter check the effectiveness of the Society internal Financial control systems by:-
- vi. Ensuring that standardized accounting system and procedures are implemented
- vii. Confirming cash and bank account regularly and reconcile with the records and make necessary recommendations to the Board.
- viii. To generally counter check the effectiveness of implementation of the Credit Policy and ensure compliance through:-
- ix. Checking loans application and note exceptions.
- x. Checking delinquent loans among Board and the Society members.

- xi. Generally assist in interpretation of loan policies, the Act, the rules, general Meeting resolutions and Board policies with a view to creating understanding the harmonious working relationship between the members and the Board.
- xii. Listen to members complaints and assist them to find solutions.
- xiii. Fill vacancies occurring in their Committee between Delegates Meetings.
- xiv. Submit their reports to the Board, the Delegates Meeting and the
- xv. Commissioner.

Notwithstanding the provision of (i) to (xix) above, the Supervisory Committee shall not perform the duties or exercise any of the powers of the Board.

**(f). AUDIT COMMITTEE.**

- a. The Audit Committee shall consist of not more than three members appointed from the board, one of whom shall be conversant with financial and accounting matters. The Chairman of the board shall not be a member of the Audit Committee.
- b. The Primary responsibility of the Audit Committee shall be as prescribed in the Regulations which includes:-

Ensuring establishment and review of the internal systems.

- i. Review the performance and finding of the internal auditor and recommend remedial actions regularly and at least once in every three months,
- ii. Recommending three names of the external auditors and the remuneration to the Board.
- iii. Reviewing coordination between internal and external audit functions as well as monitor external auditors independence and objectivity.
- iv. Report to the Board on the finding and recommendations.

## **PART IX**

### **67. EXECUTIVE OFFICERS.**

The C.E.O, Accountant and the Internal Auditor shall be Executive Officers of the Society and shall attend the Meeting of the Society. They shall not have a right to vote in the Meeting.

### **68. APPOINTMENT AND DUTIES OT THE C.E.O.**

- i. The Board will appoint the CEO, who shall be responsible for the day to day duties of the Society affairs and should be answerable to the Board.
- ii. The CEO shall act as Chief Executive officer of the Society and shall conduct business of the Society and shall exercise control over the administration of the Society subject to overall control of the Chairman. He shall be an ex – officio member of all the Committees.
- iii. He shall ensure the proper books of accounts, records and returns are kept and also that the required financial statistical and operational information is prepared and submitted to the Board, SASRA and also to the Ministry of Co-operative Development and marketing and he shall be responsible for ensuring the accuracy of that information.
- iv. He shall be responsible for the security of the funds and assets of the Society.
- v. He shall ensure that all RBA, NSSF, PAYE and any other relevant statutory deductions are correctly calculated and all amount due and necessary returns are submitted within their due dates. The Board shall require the CEO to give indemnity to the Society.
- vi. Direct and supervise the administration and processing of loan applications.
- vii. Authority to sign documents of the Society.
- viii. He shall perform other duties that may be assigned to him by the Board from time to time.

69. **MONTHLY FINANCIAL STATEMENT.**

Within 15 days of the closure of each month the CEO shall prepare and submit to the Board a financial statement showing the condition the Society at the end of such month and shall promptly post a copy of such monthly financial statement in a conspicuous place for the information of the members. He shall prepare and forward to the Regulatory Authority such financial reports as required.

70. **OPERATION BUSINESS ACTIVITIES/BOOKS AND RECORDS**  
**FRONT OFFICE SERVICES.**

- i. The Society may operate Front Office Service (FOSA) and shall strictly observe the Act, the Rules, SASRA and these By- laws in the course of conducting the business of Front Office Services such services shall include:-
- ii. The Society may receive deposits and loans from members and non-members through the Front Office Services in accordance with the provision of Rule 35.

71. **BOOKS AND RECORDS.**

The Society shall keep up – to – date and in proper businesslike manner such accounts and such books as the Act and rules provide and in particular shall keep the following books of accounts:-

- (a) A register of members showing in respect of each member:-
  - i. The name, age, date of application for membership, address and occupation.
  - ii. The date on which he ceased to be a member
  - iii. The date he was admitted to membership.
- (b) A minute book giving detail of proceeding at the Delegates Meetings.
- (c) Minutes books giving detail of proceedings of Board Meeting and Supervisory Committee Meetings.
- (d) A cash book showing the details of all monies expended or paid out by the Society.

- (e) A General Ledger containing such accounts as are necessary to reflect properly the business of the Society.
- (f) An assets (property) register.
- (g) A register of loans to members showing in respect of each loan number of the borrower, the date of repayment, and the date repayments were completed.
- (h) Such other books and records as the Board may decide or that the Commissioner may prescribe.

**72. FINANCIAL YEAR**

The financial year of the Society shall be from 1<sup>st</sup> January to 31<sup>st</sup> December of every year.

**73. CONTROL OF THE BUSINESS**

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

**74. ELECTION OF BOARD OF DIRECTORS.**

- i. The Society shall operate under a delegate mode of representation.
- ii. The Board may establish electoral zones and circulate or cause to be circulated a list of such electoral zones to all members for their information.
- iii. Every member shall belong to one electoral zone based on his place of work or business in which he/she will participate in elections. It is Members' responsibility to inform the Board of any change of electoral zone.
- iv. The term of the delegates shall be dependent on the Zonal representative's retirement in accordance with the rotational rule as per the Ministry's Circular.

- v. The delegates so elected shall represent their electoral zones at Delegates Meetings.
- vi A Board member may be voted in absentia provided he had indicated interest in being elected to the Board.
- vii An election candidate, who is evidently known to engage in bribery, corruption, money laundering, engaging in any business that is in conflict of interest to the Sacco, dual membership or an election malpractice of any description, shall stand disqualified regardless of the seat he seeks.
- viii No member shall be eligible to be elected as a Board member unless he has been an active member of the Society for at least 24 months.
- ix. Members of the Board of Directors shall be elected from among the delegates for a term of three (3) years and may be eligible for re-election subject to the 1/3 rule as per the Ministry's Circular.
- x. The Board of Directors of the Society shall be elected for a term of three (3) years subject to one third (1/3 rd.) retiring Annually, except for the Chairman and the Vice-Chairman who shall retire at the end of the third year. The retiring members shall, however be eligible for re-election.
- xi. Subject to the provisions of these By-laws, every member shall be eligible to be elected as a delegate and into the Board or Supervisory Committee to represent members of their respective electoral zones.
- xii. No member shall be eligible to be elected into the Board or Supervisory Committee subject to By-Law 51 (a) and (b).
- xiii. The elected Board member and Supervisory Committee shall be required to undergo a 'fit and proper' test with the Authority and to declare his wealth and provide indemnity within two weeks of his election.



The minimum qualification standards and duties and responsibilities of the Board and Supervisory Committee shall be as prescribed in the these By-Laws.

- xix. Nominations of the aspiring candidate shall be made from the floor of the Meeting among the nine zonal representative by returning officer and all members nominated shall be voted upon except if a nominee declines.
- xx. All election shall be by secret ballot or show of hands and no member shall be entitled to vote by proxy, but a member may be elected in absentia.

75. **AUTHORIZATION TO SIGN DOCUMENTS**

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

- i) Chairman or Vice Chairman, Treasurer , Hon. Secretary and the CEO,
- ii) Any other person authorized by the Board on their behalf.

76. **DISPOSAL OF SURPLUS**

Subject to the Act, the rules, SASRA and approval by the Delegates Meeting, the net surplus resulting from operations of the Society during the financial year shall be disposed of as follows:-

- i. 5% shall be credited to the reserve fund.
- ii. The balance may be disposed off as decided by the Delegates Meeting for:-
- iii. Paying dividend on shares and rebates on deposits at a rate decided by the Delegates Meeting.
- iv. Paying an interest refund to members on record at the close of the financial year in proportion to the interest paid by them during the financial year.
- v. Being carried forward to an education fund or any other fund or funds of the Society, including the appropriations account
- vi. After making the required allocation to the reserve fund, applying an amount not exceeding 10% for the remaining net balance to any

- charitable purpose.
- vii. Paying Honorarium to a Board member or bonuses to employees.
  - viii. Distribution of bonus shares if any.
  - ix.
  - x. In any other way approved by the Delegates Meeting.

**77. COMMON SEAL**

The Society may adopt and use a common seal. The seal may have an imprinted bearing words seal of the Mombasa Port Savings & Credit Co-operative Society Limited, and shall be different from the ordinary name stamp of the Society. The seal shall be kept securely under lock and key by the CEO and shall be used only by and in the presence of officers authorized to sign documents on behalf of the Society.

**78. MISCELLANEOUS.**

No office bearer or Board member shall receive from the Society any payment, apart from the actual costs of travelling and subsistence while working on the Society's business, except on honorarium from the net surplus as allowed in the By-laws.

**79.** The office bearers, executive officer, members of the Board, and employees of the Society' shall hold in the strict confidence all transactions of the Society with its members and all information in respect to their personal affairs except to the extent deemed necessary by the Board in connection with the making of loans and the collection thereof.

**80.** When any Board member is disqualified, or otherwise unable to perform his duties, the Board may co-opt another member or members of the Society to act and serve on the Board until the next Delegates Meeting.

**81.** No office bearer, executive officer, Board 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, Board member, or employee, he shall withdraw from such deliberation and the remaining qualified Board members present at the Meeting constituting a

quorum without the disqualified person may exercise with respect to the matter all powers of the Board.

**82.** All books of accounts and other records shall at all times be available to all Board members of the Society, SASRA and to the Commissioner or his authorized representative. A Copy of the certificate of registration, loan policy, its By-Laws, and list of members excluding details of nominees and shareholding or loans shall be available for inspection by any member.

**83.** A copy of the By-Laws shall be furnished to every member on request and on payment of a fee to be determined by the Board.

**84.** The Society shall pay such audit fees as the Delegates Meeting may prescribe as fair and reasonable.

**85. DISSOLUTION.**

The Society may be dissolved in accordance with the procedures set forth in the Co-operative Act, Rules and SASRA.

**86. MERGING.**

The Society may merge with any other Society as conditions may allow and if approved by the Delegates Meeting.

**PART X**

**87. AMENDMENT OF BY- LAWS.**

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

**ACCEPTANCE**

We, the undersigned office bearers of the Mombasa Port Savings & Credit Co-operative Society Ltd 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.

**Name**

**Signature**

**CHAIRMAN.....**

**VICE CHAIRMAN.....**

**TREASURER.....**

**HON.SECRETARY.....**

Certified that the foregoing By-laws of the Mombasa Port Savings & Credit Co-operative Society Limited have been approved by me and duly registered. Given under my hand at Nairobi this the.....Day of.....two thousand and fourteen.

**COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT**

\*\*\*\*\*