

1. NAME AND AREA OF OPERATION

The society shall be called **Airports Savings and Credit Co-operative Society Limited**, herein after referred to in these by laws as "The society" and its area of operation shall be the Republic of Kenya.

2. REGISTERED OFFICE/ POSTAL ADDRESS

The registered office of the society shall be at **Kenya Airports Authority** and the postal address of the society shall be P. O. Box 19001-00100 Nairobi

Notice of any change of address shall be given to the Commissioner for Cooperative Development and Marketing herein after referred to as 'The Commissioner' and to all members of the society through their last known address as per records held at the society within 30 days of such change.

3. DEFINITIONS/INTERPRETATIONS

In these by-laws, unless the context otherwise suggests words or phrases shall be defined/interpreted in accordance with the Cooperative Societies Act Cap 490 Laws of Kenya the Sacco Act No. 14 of 2008 and the Rules made there under herein after referred to as the "Act" and "Rules" respectively.

In these by-laws save as otherwise expressly stated:

- i). "General Meeting" shall be a meeting (either "annual" or "special") for all members duly convened by the society to conduct its business,
- ii). "Management Board" shall mean the persons elected in a duly convened General Meeting to govern the Business of the society as per these by-laws and includes the **Board of Directors**.
- iii). ~Commissioner~ shall mean "the Commissioner for Cooperative Development as provided for in the Act."
- iv). "Tribunal" shall mean the Co-operative Tribunal established under the Act to hear and determine disputes,
- v). "SACCO" shall mean Savings and Credit Co-operative.

- vi). "Shares" shall mean the amount represented by a member's portion in the equity of the society as a co - owner,
- vii). "Applicable Law" shall mean the Co-operative Societies Act, Rules and these by-laws.
- viii). "Co-operative Society" shall mean a society registered under the Act.
- viv) In these by-laws where masculine gender is referred to it shall include the feminine gender
- ix) "Dividend" shall mean members share of the surplus of the society which is divided amongst its members.
- x). "Returning officer" is a person appointed to oversee or conduct the elections of a co-operative society at a general meeting.
- xi). "Member" includes a person or a co-operative society joining in the application for the registration of a society, and a person or cooperative society admitted to membership after registration in accordance with the by-laws.
- xii). "Deposits" shall mean a sum of money 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 society to receive it at the risk of the society receiving it.
- xiii) Capital means permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants and donations
- xiv) "A nominee" mean a person appointed by the members to inherit the shares, deposits and other interests in the society upon the death of that member.
- xv) General meeting shall mean either annual or special general meeting.
- xvi) Supervisory committee means an oversight committee elected at a general meeting
- xvii) Audit committee means a committee constituted by the Board of Directors to review the financial conditions of the Society.
- xviii) Institutional capital means disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the Sacco society
- xiv) Authority shall mean Sacco Societies Regulatory Authority (Sasra)

- xv) Department shall mean departments of the parent organization, Kenya Airports Authority
- xvi) Representative shall mean a member elected to represent a group of members in a particular region.

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

4. OBJECTS

- 4.1. The objects for which the society is established are to organize and promote the welfare and economic interests of its members.
- 4.2. In particular, the society shall undertake:
 - a) To promote thrift among its members by affording them an opportunity for accumulating their savings and deposits and create thereby a source of funds from which loans can be made to them exclusively for provident and productive purposes, at fair and reasonable rates of interest; thereby enabling them to use and control their money for their mutual benefit
 - b) To ensure personal growth through the introduction of new products and services that will promote the economic base of the members.
 - c) To ensure progress of members and society through continuous education programs on proper use of credit, reduction of poverty, human dignity and co-operation.
 - d) To apply the co-operative principle of co-operation among co operatives in order to promote members' interests. In furtherance to the objects the society shall affiliate to the relevant National Co operative Union and the Apex society.
- 4.3 For the attainment of the above objects, the society may do acts and things that are permissible under the co-operative societies Act the Sacco Act, rules and these By- laws including but not limited to acquire property and chattels and doing all such other things as are incidental or consequential to the economic enhancement of its members interests provided such act is approved by the

members in a general meeting.

5. CO-OPERATIVE PRINCIPLES AND VALUES

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

5.1. PRINCIPLES

(a) Voluntary and open membership

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

(b) Democratic member control

The society will be fully controlled by members who will have equal voting digits on the basis of one member one vote.

(c) Economic participation by member

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

(d) Autonomy and independence

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

(e) 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.

(f) Co-operation among co-operatives

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

(g) Concern for community in General

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

5.1 VISION STATEMENT

To be the Sacco of choice and a beacon within the Cooperative Movement in Africa.

5.2 MISSION STATEMENT

To mobilize savings and promote investments at a reasonable rate of interest within co-operative principles, in a dynamic economic environment, by exercising good cooperative governance.

5.3 VALUES

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

6. MEMBERSHIP

Membership shall consist of:-

- a) Original members who signed the application for registration.
- b) New members subsequently admitted in accordance with these by-laws.

7. QUALIFICATION FOR MEMBERSHIP

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

- (a) Is within the field of membership consisting of the following common bond –Any employee of Kenya Airports Authority , active members who have retired from the active employment and any other Kenyan of good character with a reputable employer or business
- (b) Has attained the age of 18 years.
- (c) Is of good character and sound mind
- (d) Pays the entrance fee and share capital as prescribed in these by-laws.

Provided that no member shall belong to more than one Sacco society having similar objects.

8. APPLICATION FOR MEMBERSHIP

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

9. ADMISSION INTO MEMBERSHIP

9.1 An applicant shall be admitted to membership on application upon payment of an entrance fee of Kshs 1,500/= and a minimum of 250 shares of Kshs. 20 each or an amount as shall be fixed by the General meeting from time to time.

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

9.3 The member shall sign or make a thumb mark in the register of members in the presence of two members of the board to indicate his/her acceptance of the by-laws of the society.

9.4 Members shall be admitted by the management board subject to Confirmation by the next general meeting.

9.5 The member shall pay for a copy of the society's by-laws at its actual cost to the society.

10. REFUSAL OF ADMISSION

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

11. RIGHTS OF MEMBERS.

A member of the society shall have the right to:

1. Attend and participate in decision making at all general meetings of the society and vote;
2. Be elected to organs of the society, subject to these by-laws;
3. Enjoy the use of all the facilities and services of the society subject to the society's by-laws;

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

12. OBLIGATIONS OF MEMBERS

A member of the society shall have the obligation to:

- i) Observe and comply with all the society's by-laws and decisions taken by the relevant organs of the society;
- ii) Buy and pay up for shares and deposits or make any other regular payments provided for in these By-laws;
- iii) Meet the debts of the society in case of insolvency in accordance with the provisions of the Act and these by-laws.

13. MEMBER'S PERSONAL STATEMENT

The society may use "check off system", standing orders or cash for payments of members shares, deposits and loan repayments. However, when direct payments have to be made, they shall be paid directly into the society's bank account and a receipt issued by the society on submission of the bank slip. Every member shall receive regular statements at least once every three months, which shall contain particulars of membership, shares, deposits and loan transactions with the society.

14. CESSATION OF MEMBERSHIP

Membership in the society shall cease with effect from the date of

- (i) Death
- (ii) Withdrawal
- (iii) Expulsion
- (iv) Being certified insane.
- (v) Transferring shares to another member.
- (vi) Failure to remit deposits contributions and loan repayments for a Continuous period of three months without valid reasons.
- (vii) Ceasing to hold qualification for membership as specified in these by-laws

provided that members who have lost the common bond may retain their membership.

15. SUSPENSION

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

- a) fails to fulfill his/her obligations to the society whether stated in these by-laws, general internal regulations, a resolution of the general meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed,
- b) Is convicted in a court of law for a criminal offence involving dishonesty or fraud or is, imprisoned for a period of three months or more,
- c) Is a member of another society having similar objects?
- d) Acts in any manner prejudicial to the interests of the society.

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

16. PROCEDURE OF SUSPENSION

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

(b) Upon the expiry of the 30 days and taking into consideration the members defense if any, the board of directors shall initiate an administrative inquiry and make a decision on its finding within fifteen (15) days.

16.2. Any member suspended by the board shall appeal to the next general meeting which shall have power to either lift the suspension or expel the member.

16.3. A member who is expelled from the society may appeal to the cooperative tribunal.

17. WITHDRAWAL FROM SOCIETY

A member may at anytime withdraw from the society by giving at least sixty (60) days written notice to the board of directors.

18. PAYMENT ON CESSATION OF MEMBERSHIP

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

- a) The value of deposits.
- b) Any dividends or interests due prior to the cessation date.
- c) Any deposits or any other funds held by the society on his/her behalf.

18.2 Partial withdrawal of deposits from the society shall not be allowed under any circumstance.

19. NOMINEE

Every member shall nominate in writing one or two persons as nominee(s). The nomination shall be attested to by two witnesses who are members of the society. The names of such nominee(s) shall be entered in the nominee register. Provided that a member shall have the right to change his/her nominee(s) in writing in the presence of two attesting witnesses who are members of the society.

20. PAYMENT TO NOMINEE

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

21. ADMISSION OF NOMINEE

A nominee may be admitted to membership of the society if qualified. The deposits, interest and dividends due to the deceased member shall be transferred to the account of that nominee.

22. FUNDS OF THE SOCIETY

22.1 The funds of the Society shall consist of:

- a) Entrance fee
- b) Shares of unwithdrawable shares at the value of Kshs. 20 per each
- c) Deposits from members and loans from non-members.
- d) Administration fees and penalties.
- e) Statutory reserve fund and any other reserve fund as may be kept by the society.
- f) Any surplus resulting from operations of the society.
- g) Any donations, gifts from other bodies, organizations and individuals.
- h) Funds obtained from lawful miscellaneous sources.

22.2 The funds of the society shall only be applied to the promotion of the stated objects of the society as set forth in these by laws, and shall be invested in:

- a) Such investments and securities as are authorized for the investment of trust funds,
- b) The shares of any other co-operative society,
- c) Any bank licensed under the Banking Act,
- d) The stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya or in any other manner approved by a resolution at a general meeting of the society.
- e) Loans to members.

23. SHARES

Every member shall hold at least 250 shares of Kshs 20/= each or an amount fixed by the General Meeting. However, no member shall hold more than one fifth of the total shares of the society.

24. TRANSFER OF SHARES/DEPOSITS

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

- b) All transfers of shares shall be registered with the society and no transfer shall be valid unless so registered. A fee of Kshs. 500 shall be payable by the transferee for each such transfer.
- c) Provided that no shares shall be refundable to a member

25. LIABILITY

- a) The liability of a member shall be limited to the nominal value of the shares and deposits held by him.
- b) 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 according to the amount of shares held by each.

26. POWER TO BORROW

- a) Loans may be obtained from non-members subject to the maximum amount and terms approved by the General meeting.
- b) For the securing of any loans accepted by the society under paragraph (a) above, the society may grant a charge over its assets. The authority to grant a charge shall be a reserve of the commissioner.
- c) The rate of interest on loans shall be determined by the board of directors in consultation with the General Meeting.

27. RECEIPTING OF MONEY

- a) Money received on account of shares, deposits, Loans, interests, fees or fines shall be evidenced by a printed receipt in a form to be approved by the board of directors. Every member paying any money to the society shall be identified on the receipt.
- b) Should the receipt issued by the society be lost or destroyed, immediate notice of such fact shall be given to the Treasurer who may be authorized by the Board of directors to issue a duplicate receipt at a reasonable fee.
- c) The Board of directors may require the member to sign an indemnity to protect the society against any loss due to the issuance of such duplicate.

28. PAYMENT/DISBURSEMENT

Payments made by the society shall be evidenced in writing in a form approved by the board of directors.

29. RESERVE FUND

- a) The society shall pay into the Reserve Fund maintained in pursuance of the provisions of Section 47 of the Act and the Rules one fifth (1/5) of any net surplus resulting from the operations of the society during a financial year.
- b) The Reserve Fund of the society shall be invested in the manner provided for in the Act.
- c) The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it
- d) No withdrawal shall be made from the reserve fund of the society without a resolution from the General Meeting and a written approval from the Commissioner.

30. GENERAL MEETING

30.1. The supreme authority of the society shall be vested in the General Meeting of members.

- a) An Annual General Meeting shall be convened within four months after the end of the society's financial year.
- b) A special general meeting of the society may be held when convened by:
 - a. The Board of directors.
 - b. The Commissioner.
 - c. The Board of Directors within 15 days of receipt of a written Request by at least two thirds of the members.

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

- (c) If the Board fails to convene a meeting within fifteen days of receiving notice under the Act. The members shall give notice to the other members of the society, stating the object and reasons for the meeting and the fact that the Board of

Directors has failed to convene the meeting.

- (d) Any business not completed at the Annual General Meeting, may be taken up at a subsequent Special General Meeting of the society.

31. DUTIES OF GENERAL MEETINGS

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

- a) Consider and confirm the minutes of the previous General Meeting.
- b) Consider reports of committees, the Commissioner or his/her representative and the audited accounts on the society's activities during the past financial year.
- c) Consider and resolve on the manner in which any available surplus shall be distributed or invested, subject to the Act and rules.
- d) Elect or remove members of the Board of directors and the Supervisory Committee, subject to the Act, Rules and these by-laws.
- e) Fix the indemnity for the elected committee members, supervisory and staff.
- f) Consider recommendations from the Board of directors, appeal against suspensions of members and refusals of membership by the board of directors.
- g) Fix the maximum liability which the society may incur in loans and deposits from both members and non-members.
- h) Approve the estimates of income and expenditure for the financial year following the General Meeting,
- i) Fix the honoraria if any to board of directors, supervisory committee and bonus for employees of the society.
- j) Decide on the board structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
- k) Appoint bankers, auditors and advocates of the society for the ensuing year.
- l) Affiliate the society to National Co-operative Organizations for SACCO societies and the Apex society, subject to approval of the General Meeting;
- m) Transact any other business of the society for which notice has been given to members in the manner prescribed in these bylaws.

31.2 All members have a right to attend the General Meetings and participate in their

deliberations; however they may be required to identify themselves.

32. RECORD OF BUSINESS

All business discussed or decided at the General Meeting shall be recorded without erasures and corrections in a Minute Book, which within one week of the meeting, shall be signed by the Chairman of the meeting and at least one other board member who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.

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

33. NOTICE OF MEETINGS

- (a) The general meeting shall be convened by giving at least 15 days written notice to the members.
- (b) The Honorary Secretary shall take all usual steps to publish the notice of the meeting in public places, on the society's notice board(s), in local newspapers or news-sheets, including the media or any other mode decided by the members.
- (c) All notices shall include a statement of the business to be dealt with.

34. QUORUM

Except when convened by the Commissioner, the presence of at least 1/3 of total number of Members or 100 Members whichever is less, shall constitute a quorum for the conduct of business at the General Meeting. When a quorum is not attained the chairman shall adjourn the meeting and fix a date for another meeting within one month, which shall be advertised as prescribed in these by-laws. If a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

35. ELECTIONS

- a) With every notice of the General Meeting convened in accordance with these by-laws, where elections will be held, the Board of Directors shall notify the members of the vacancies arising in both the and the Supervisory Committee.
 - b) During elections, the Returning officer shall call for nominations from the floor. Each candidate must have a proposer and a seconder.
 - c) At the elections, members shall decide, by majority vote, the method of voting. The method may be show of hands or secret ballot.
 - d) No member shall be entitled to vote by proxy.
 - e) Irrespective of the number of shares held by him, no member shall have more than one vote.
- 36.1 Within fourteen (14) days of the elections, the Honorary Secretary shall forward to the Commissioner the names and addresses of all persons elected.
- 36.2 A new board elected at the General Meeting shall not assume office unless they have satisfied the requirements of the Act, Rules and these by-laws as to the indemnity and ethics.
- 36.3 A candidate or member may be elected in absentia

37. THE BOARD OF DIRECTORS

- a) The Board of directors shall be the governing body of the society elected from the general membership and shall consist of nine members. It shall include the Chairman, Vice chairman, Treasurer and Secretary all of whom shall be elected by the board from amongst the members of the board.
- b) Members of the board shall hold office for a period of three years provided that, one third of the board members shall retire every year but will be eligible for re-election except for the chairman and the vice chairman who shall serve for three years and will be eligible for re-election .
- c) Where the membership of the board falls below five the board may co-opt qualified member(s) into the board until the next General Meeting.

38. I ELIGIBILITY FOR MEMBERSHIP TO THE BOARD OF DIRECTORS

No person shall be eligible for membership in the Board of directors of the society

if he/she:-

- a) Is not a member of the society;
- b) Is under eighteen years of age;
- c) Is unable to read and write;
- d) Receives any remuneration, salary or other payments from the society save as in accordance with this Act
- e) Is a board member in two other societies with similar objects;
- f) Lends money on own account;
- g) Is an undercharged bankrupt
- h) Is of unsound mind;
- i) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- j) Has been convicted of any offence under this Act or rules.
- k) Has any unclear debt owing to the society at the end of its financial year other than in respect of a loan granted under the provision of any regulations made under this Act;
- l) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act
- m) Has not been an active member for three consecutive years
- n) Has not saved a minimum of at least Kshs. 150,000 in deposits and shares
- o) Has not attained O'level of education
- p) Is not stationed in Nairobi city

38. II REPRESENTATION TO THE BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE.

To ensure equitable representation to board and supervisory committee representation shall be as follows:

- (a) That No one department shall have more than one third of the entire board and supervisory elected into the society.
- (b) Composition of board and Supervisory Committee.

The board and supervisory committee shall be drawn from the members from

departments of Kenya Airports Authority.

- (c) Representation in the General meetings by members outside the head office shall be determined by the board from time to time.

39. BOARD OF DIRECTORS MEETINGS

- (a) Meetings of the Board of directors shall be held at least once a month but subject to the provisions of the Sacco Act. At least five of the total number of board members shall form a quorum for the disposal of business.
- (b) If a member of the board fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his/her duties, the position may be declared vacant and filled as provided for in these by-laws.

40. RECORD OF BUSINESS OF THE BOARD OF DIRECTORS

All business discussed or decided at the Board Meeting shall be recorded without erasures and corrections 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 board member who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all mailers discussed or decided at the meeting.

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

41. DUTIES AND POWERS OF THE BOARD OF DIRECTORS

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

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

- c) Make provision for sufficient funds for loans to members.
- d) Ensure that true and accurate records and accounts of the society's money, properties, capital reserves, liabilities, income and expenditure are kept and maintained;
- e) Prepare and develop long term board plans and budgets for presentation at the General Meeting;
- f) Propose to the General Meeting the amount and kind of surety bond, or other security, which shall be given by the member of the board or employee having custody of or handling funds or property of the society;
- g) Determine and recommend to the General Meeting the interest rates on loans, the maximum maturities and terms of payment or amortization of loans from time to time and the maximum amounts that may be loaned to any member;
- h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting;
- i) Lay before the General Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- j) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on deposits;
- k) Fill through cooption, vacancies occurring in the board of directors between General Meetings;
- l) Recommend investments of the society;
- m) Authorize the conveyance of properties;
- n) Authorize borrowing and lending operations of the society in accordance to the Act and the Rules;
- o) Designate a depository or depositories for the funds of the society; p) Employ and fix the remuneration of the employees in accordance with the terms and conditions of service as approved by the Commissioner;
- q) Impose fines as provided for under these by-laws;
- r) Approve transfer of shares;

- s) Supervise the recovery and collection of loans from members and recommend to the General Meeting the write off of bad debts,
- t) Perform or authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the General Meeting;
- u) To provide adequate budget for education and training of members, the board and staff; and
- v) Perform such other duties as the General meeting may from time to time direct

42. EXPENDITURE

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

43. DELEGATION TO EMPLOYEES

- a) The Board of directors may delegate to any employee of the society such duties as it deems fit.
- b) Nothing in (a) above shall absolve the Committee from its responsibility of running the affairs of the society in a proper and businesslike manner.

44. INDEMNITY

All Committee Members shall each provide an indemnity of an amount approved by the General Meeting. A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner within 14 days upon election to the board.

45. DECLARATION OF WEALTH

Every board members shall within 30 days of being elected declare wealth to the Commissioner in the prescribed manner.

46. LEGAL STANDARD OF CARE

In the conduct of the affairs of the society, the members of board shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts, or failure to

act, which are contrary to the Act, the Rules, the By-laws or the directions of the General Meeting.

47. SUSPENSION FROM THE BOARD OF DIRECTORS

- a) The Commissioner may suspend from duty any Board Member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter
- b) The majority of the Board Members may suspend a Board Member for;
 - (i) Failure to disclose vested interests,
 - (ii) Any other good cause Subject to ratification by the General Meeting.

48. REMOVAL FROM THE BOARD OF DIRECTORS

A member of the B.O.D shall cease to hold office if he/she:

- a) Ceases to hold qualifications of a B.O.D Member as specified in the Act, Rules and these By-laws;
- b) Is removed by the Commissioner under the provisions of the Act;
- c) Is voted out by two thirds majority of the society members present and voting at the General Meeting.

49. FINANCE AND ADMINISTRATION COMMITTEE

The Chairman, the Vice-Chairman, the Treasurer and the Honorary Secretary shall be termed as the "Finance and Administration Officers of the Society" and shall be elected at a meeting of the B.O.D held within seven days after election at the General Meeting.

50. THE CHAIRMAN

The Chairman shall:

- a) Preside at general meetings, B.O.D meetings and joint meetings with the Supervisory Committee.
- b) Perform such other duties as may be directed to perform by the B.O.D, not inconsistent with provisions of the Act, the Rules and these by-laws;

51. THE VICE-CHAIRMAN

The Vice-Chairman shall perform:

- a) The duties of the Chairman during his/her absence.
- b) Such other duties as may be directed by the B.O.D.

52. HONORARY SECRETARY

The duties of the Honorary Secretary are to:

- a) Cause minutes of the General Meetings, Management B.O.D meetings, and joint meetings with the Supervisory Committee to be recorded.
- b) Ensure that notices of the meetings are prepared and sent out.
- c) Ensure that the society's correspondence is promptly and correctly attended to.
- d) Perform such other duties as may be directed by the management committee.

53. TREASURER

The Treasurer shall be conversant with financial and accounting matters and his duties shall be to:

- a) Generally manage or cause to be managed the financial affairs of the society in a competent manner;
- b) Ensure that a proper record is kept of all monies received and paid out by the society, its assets, liabilities, capital reserve and its income and expenses;
- c) Ensure the safekeeping of the society money, securities and books of accounts;
- d) Ensure that all payments and expenditures are dully authorized;
- e) Ensure that within ten days after the closure of each month, a financial statement showing the condition of the society's finances at the end of the preceding month is prepared and submitted to the B.O.D for discussion; and

- f) Ensure compliance with all directions of the B.O.D, the Act, the Rules and these by-laws on all financial matters.
- g) Cause to be presented a statement of the ensuing month's cash flow.
- h) Ensure sufficient funds are available for loans to members,
- i) Perform such other duties as may be directed by the B.O.D.

54. SUB-COMMITTEE

- a) Sub-committees shall consist of persons drawn from the B.O.D.
- b) The Management Committee may delegate to the sub-committee some of its duties under these by-laws as it deems fit.
- c) These sub-committees shall convene as directed by the B.O.D.

55. EDUCATION COMMITTEE

The Education Committee shall consist of three members of the B.O.D and one among them as the chairperson of the committee. Its duties shall be to:

- a) Organize education programmes for members, board, staff and the general public.
- b) Ensure that both the board members and the staff are well trained and prepared for the tasks they are entrusted with at the society.
- c) Create co-operative awareness to the general public.

56. FOSA COMMITTEE

- a) The fosa committee shall consist of three members of the board one of whom shall be the treasurer of the B.O.D who shall be the chairperson of the committee.
- b) The fosa committee shall hold meetings as the business may require and as the board may determine.
- c) The fosa committee shall make reports to the board as they may be required.
- d) The fosa committee shall ensure that the front office loans and advances application register is maintained and cheque schedules' prepared.
- e) At every regular meeting of the board, fosa shall present up to date listing of all front office loans and advances applied

- f) The committee shall follow up the front office loans and advances repayments and act on loan defaulting
- g) The committee shall recommend to the board from time to time the various interest rates and commissions charged on various products \
- h) Carry out other assignments as directed by the board

56. TENDER COMMITTEE

The tender committee shall consist of officers in management level of the sacco as provided for in the procurement and disposal Act of 2005

57 I. CREDIT COMMITTEE

The credit committee shall consist of three members of the B.O.D and one them who shall be the vice chair of the B.O.D and shall be the chairperson of the committee. Its duties shall be to:

- a) Hold regular meetings as the business of the society may require, but at least once a month
- b) Vet loan applicants, their guarantors, and their ability to service their credit requirements.
- c) Assist members solve their financial problems.
- d) Maintain records of their deliberations on loans to members.
- e) Forward its loan recommendations to the B.O.D for approval.

57 II) AUDIT COMMITTEE

- 1) There shall be an audit committee consisting of at least three members appointed from the board and one of whom shall be conversant with financial and accounting matters. The chairperson of the board of directors shall not be a member of the Audit committee.
- 2) The responsibility of the audit committee shall include but not limited to the following:
 - a) Ensuring that internal controls are established and effectively maintained to achieve a Sacco society's financial reporting objectives;
 - b) Reviewing internal controls including the scope of the internal audit program, the internal audit findings, and recommend action to be taken by Board;

- c) Reviewing internal audit reports and their overall effectiveness, the scope and depth of audit coverage, reports on internal control and any recommendations and confirm that appropriate action has been taken;
- d) Ensuring that accounting records and financial reports are promptly prepared to accurately reflect operations and results;
- e) Reviewing co-ordination between the internal and external audit functions as well as monitor the external auditor's independence and objectivity taking into consideration relevant professional and regulatory requirements;
- f) Recommending three names of external auditors to be board of directors;
- g) Reviewing with external auditors the scope of their annual audit plan, systems of internal audit reports, assistance given by management to the auditors and any findings and actions taken, and recommend the auditor's remuneration to the board;
- h) Reviewing board reports and reports from the internal and external auditors concerning deviations and weaknesses in accounting and operational controls;
- i) Reviewing the Sacco society's internal audit plan, with specific reference to the procedures for identifying regulatory risks and controlling their impacts on the Sacco society, including receiving correspondence from the Authority and the responses from the board;
- j) Monitoring the ethical conduct of the Sacco society and consider the development of ethical standards and requirements, including effectiveness of procedures for handling and reporting complaints;
- k) Reviewing any related party transactions that may arise within the Sacco society;
- l) Ensuring that relevant plans, policies, and control procedures are established and properly administered;
- m) Ensuring that policies and control procedures are sufficient to safeguard against error, carelessness, conflict of interest, self-dealing and fraud;
- n) Investigating members complaints;
- o) Keeping minutes of their work;
- p) Considering any matter of significance raised at the Annual General meeting.
- q) The audit committee may delegate any of its functions to a designee but shall ultimately bear the responsibility.
- r) The Audit Committee shall report to the Sacco society board of directors on measures taken to implement recommendations and corrections of findings reported.

58. SUPERVISORY COMMITTEE

- (a) The society shall have a supervisory committee consisting of three

members each elected at the General Meeting for a period of three years and one member of the supervisory committee shall retire annually.

- (b) The supervisory committee shall:
 - i. Hold quarterly meetings for exceptional joint meetings between its members and those of B.O.D
 - ii. Have qualifications similar to those of B.O.D members.
 - iii. At least one member of the supervisory committee shall have accounting background
 - iv. Be removed by a resolution of the general meeting.

59. DUTIES OF THE SUPERVISORY COMMITTEE

The duties of the supervisory committee shall include:

- (a) Counterchecking the effectiveness of the society's internal control systems through:
 - i. Carrying out investigations as may be necessary for the well being of society and members in general and verifying the accuracy of the transactions of the society.
 - ii. Checking if cash and bank accounts are reconciled in good time.
 - iii. Establishing whether the management of the society use managerial tools i.e. budgets, trial balances, economic reports, long term plans and others and thereafter making necessary recommendations to the B.O.D.
- (b) Preparation of periodic reports of its findings and present them to the management committee during joint Board meetings and prepare reports for presentation to the General Meetings respectively.
- (c) Submission of its reports to the Commissioner.

59.2. The supervisory committee shall not perform the duties or exercise any of the powers of the B.O.D.

59.3 The supervisory committee shall be held liable for any loss incurred due to their

Negligence in performing their duties.

60. THE MANAGER

The Manager shall conduct the business of the society subject to overall control of the committee.

61. DUTIES OF THE MANAGER

The manager shall;

- a) Advise the B.O.D and other Committees in formulating, preparing and implementing long term policies and programmes of the Society,
- b) Supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner,
- c) Ensure that proper books of accounts, records and returns are kept and that regular financial, statistical and operational information is prepared and submitted to the B.O.D and other Committees and also to the Commissioner.
- d) Be responsible for the security of the funds and assets of the Society,
- e) Ensure that all statutory deductions such as National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF), Pay As You Earn (P.A.Y.E.) etc are correctly calculated and that all the amounts due and the necessary' returns are submitted by the due date,
- f) Ensure that rent, rates, levies and debts due from and to the Society are paid by the due date.
- g) Recommend to the B.O.D the filling of any vacant position or dismissal of any staff member who is not performing his/her duties properly,
- h) Countersign the society's cheques, contracts and other documents.
- i) Attend general and Board meetings as an ex-official,
- j) Perform such other duties as may be assigned to him by the B.O.D.

62. BOOKS OF ACCOUNTS AND RECORDS

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

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

- i). Name, age, date of application for membership, address and occupation;
 - ii). Date of admission to membership;
 - iii). Date of cessation of membership,
 - iv). Name and particulars of nominees, and
 - v). Any other information as may be required by the time to time.
- b) Minute books giving details of proceedings of B.O.D, joint Board and Supervisory Committee meetings and all other committee meetings held in accordance with these by-laws.
 - c) Minute book giving details of proceedings at the General Meetings.
 - d) A cashbook showing the details of all monies received or paid out by the Society.
 - e) A general ledger containing such accounts as is necessary to reflect the business of the Society.
 - f) A personal ledger for each member showing his/her transactions with the society.
 - g) A register of assets and property.
 - h) A register of loans to members showing in respect of each loan; the loan number, name of the borrower, the amount borrowed, the purpose of the loan, the due date of repayments and the date repayments were completed.
 - i) Such other books and records as the B.O.D may decide or that the Commissioner may prescribe.

63. REGULATIONS

- a) The B.O.D may make such regulations, not inconsistent with these by-laws, as they deem necessary for the conduct of the society's business. Any such regulations shall be recorded in the minute book and posted on the society's notice board and shall come into force when and as determined by the Board.
- b) The society shall formulate a code of conduct for good governance.

64. AUTHORIZATION TO SIGN DOCUMENTS

- a) All documents, contracts and cheques shall be signed on behalf of the society by any three of the following:
 - a. Chairman;
 - b. Vice Chairman;
 - c. Secretary; and
 - d. Treasurer
- b) The manager shall countersign all the documents.
- c) The Management Committee may authorize any other officer to sign the society's documents.

65. FINANCIAL YEAR

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

66. DISPOSAL OF SURPLUS FUNDS

Subject to the Act, and approval by the General Meeting, the net surplus resulting from operations of the society during any financial year shall be disposed off follows:

- a) 20% (1/5) shall be credited to the Reserve Fund.
- b) The balance may be disposed of as decided by the General Meeting for:
 - i. Paying dividends and interest on shares and deposits.
 - ii. Being forwarded to Education Fund or any other fund or funds of the society including the appropriations,
 - iii. Paying honorarium to Committee Members.
 - iv. In any other way approved by the General Meeting.

67. LOANS TO MEMBERS

- (a) The society shall have a loan policy approved by the General meeting.
- (b) All loans shall be approved by the committee with recommendation from the credit committee.
- (c) Loans shall only be given for worthy purposes that benefit the borrower.

- (d) The rate of interest on loans shall be determined by the General Meeting on recommendation by the Management Committee.

70. APPLICATION FOR LOANS

- (a) All loans shall be applied for on forms provided by the society.
- (b) The loan application in each case shall set forth the amount applied for, the purpose for which the loan is desired, the terms of repayment, the security if any, and such other information as the Management Committee may require.
- (c) All applications for loans and reports thereon shall be filed as permanent records of the society.

71. LOAN GRANTING

- a) Loans shall be granted by the committee in respect to the credit limit approved by the general meeting.
- b) No loan shall be granted except for a, specified and approved purpose, for a definite period and at a fixed rate of interest.
- c) No loan shall be made to any member in excess of 5% of the society's total share capital and reserves.
- d) Loans may be granted to Executive Officers, employees of the society who are members only if:
 - i. The loan is in accordance with these by-laws and is not on terms more favorable than those extended to other borrowers,
 - ii. The loan is approved by the Credit committee and thereafter by the Management Committee,
 - iii. The applicant takes no part in the consideration of his application at either the Credit or Management Committee Meeting.

72. SECURITY FOR LOANS

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

- a) The shares and deposits of a member
- b) The shares and deposits of guarantor(s)
- c) Any other as it may consider necessary.

Provided that;

- i. The committee shall not accept as guarantor, a member who has taken a loan and has already guaranteed three loans,
- ii. No director, officer, employee or member of the Management and Supervisory Committee member shall act as endorser or guarantor for borrowers from the Society,
- iii. A borrower may apply to the Management Committee for change of guarantors.

73. REPAYMENT OF LOANS

- a) Loans shall be repaid according to the terms in the loan application form. However, a borrower may, on any day on which the Society is open for business, repay his loan in whole or in part prior to its maturity, subject to approval of the Management Committee.
- b) Any request for an extension of time in which to pay, shall be accepted by the Management Committee only in exceptional circumstances; provided such extension shall not result in financial losses to the society. Any extension so granted shall be treated as a new loan and an extension agreement shall be executed and signed.

74. RE-FINANCING OF LOANS

- a) Notice shall be given to all members when the society intends to re finance loans.
- b) The re-financing of a loan shall be allowed by the Management Committee only when the society has satisfied all loan demands and has sufficient funds.
- c) The re-financed loan shall be treated as a new-loan, and subjected to the normal loan approval procedures.

75. LOANS AS AN ITEM OF THE AGENDA

- a) At every management committee meeting the item "loans" shall appear on the agenda and the Credit Committee shall present a list of loans recommended for approval.
- b) In the meeting, the Treasurer will present an up-to-date list of delinquent borrowers showing; -
 - i. Name of borrower.
 - ii. Account number.
 - iii. Date of loan
 - iv. Unpaid loan balance.
 - v. Borrower's share balance.
 - vi. Number of months the loan has been defaulted.
 - vii. Security and guarantor/guarantors.
- c) The management Committee shall take action to collect the overdue loans as follows;
 - i. Any loan overdue for payment for more than three months shall be referred to the guarantor/guarantors provided that the society shall give notice of such intention to the borrower and guarantor/guarantors.
 - ii. Any disputed loan shall be referred to the Tribunal provided that the society shall give a written notice to the borrower on its intention to do so.
- d) The Management Committee shall make a full report on loans to the General Meeting.

76. CASH RESERVE

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

balance in the current and savings accounts, and fixed deposits.

77. COMMON SEAL

- (a) The society shall adopt and use *a* common seal. The seal shall have an imprint bearing the words "seal of **AIRPORTS SAVINGS AND CREDIT CO OPERATIVE SOCIETY LIMITED**" which shall be different from the ordinary name-stamp of the society.
- (b) The seal shall be kept securely under key and lock by the Manager and be used only in the presence of the officers authorized to sign documents on behalf of the Society.

78. FINES

For any breach of these by-laws or lawful instructions issued by the Management Committee and General Meeting, or meeting his/her obligations on time, the member may be fined an amount not exceeding Kshs 20,000.00.

79. DISPUTES

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

- a) Among members, past members and persons claiming through members, past members and deceased members; or
- b) Between members, past members or deceased members, and the society, its committee or any officer of the society; or
- c) Between the society and any other co-operative society;

Which cannot be determined by the Management Committee or General Meeting, it shall be referred to the Tribunal. Appeals shall be taken to the High Court.

80. MISCELLANEOUS

- a) No management or Supervisory Committee member shall receive from the society any payment apart from sitting allowance, traveling and subsistence allowance, except an honorarium from the net surplus as

allowed in these by-laws.

- b) The Management and supervisory committee members, and employees of the society shall hold in the strictest confidence all transactions of the society with its members.
- c) When any Management Committee member is disqualified or unable to perform his duties, the committee may co-opt a member or members of the society to serve on the committee until the next general meeting.
- d) The society shall pay an audit and supervision fee of such sums as may be required by the Commissioner.
- e) No member of the management or supervisory committee shall in any manner participate in the deliberations and determination of any question affecting his financial interest. In the event of any disqualification, 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.
- f) A copy of these by-laws shall be furnished to every member who joins the society or on request upon payment of a fee not exceeding its actual cost to the society.

81. INSPECTION OF DOCUMENTS

- a) All books of accounts and other records shall at all times be available for inspection by all members of the management and supervisory committee of the society, and to the Commissioner.
- b) The by-laws of the society and the registration certificate shall at all times be available for inspection by the Commissioner and the members
- c) A list of members excluding details of nominees and shareholdings or loans shall be available for inspection by any member and any other stakeholder upon payment of the prescribed fee.

82. DISSOLUTION

The society shall be dissolved in accordance with the procedures set forth in the

Act and Rules.

83. AMENDMENT OF BY-LAWS

These by-laws shall be amended in accordance with the Sacco Act, the cooperative societies ACT chapter 490, regulations set forth in the Sacco regulatory Authority and the Rules but no amendment shall become effective until it is approved and registered by the Commissioner.

84. CODE OF ETHICS

There shall be a code of ethics for board members, supervisory committee and staff. The code of ethics shall define the generally accepted favorable harmonious, just and peaceful co- existence for the benefit of the society

85. ACCEPTANCE

We the undersigned Executive officers of Airports Savings and Credit Co-operative Society Limited named herein do hereby accept these by laws for and on behalf of the society.

TITLE	NAME	ID No.	SIGNATURE
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Chairman _____

Vice Chairman _____

Secretary _____

Treasurer _____

OFFICIAL CERTIFICATION

I CERTIFY that the foregoing by-laws of Airport Savings and Credit Cooperative Society Limited have been approved and duly registered.

Given under my hand at Nairobi this Day of 20

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT AND MARKETING