

BY – LAWS

FOR

.....

CO-OPERATIVE UNION

(Registered as a Co-operative Union)

1 NAME AND AREA OF OPERATION

The Union shall be calledCooperative Union Limited hereinafter referred to in these by-laws as "The Union" and its area of operation shall be in County.

2 REGISTERED OFFICE AND POSTAL ADDRESS

The registered physical office address of the Cooperative Union shall be at;

Postal address P.O Box.....Code.....Town.....

Email address.....

Office telephone number

Notice of any change of address shall be given to the Commissioner for Co-operative Development hereinafter referred to as 'the Commissioner' and to all members of the Union through their last known address as per records held at the Union within 30 days of such change.

3 DEFINITIONS AND INTERPRETATIONS

3.1 In these By-laws, unless the context otherwise suggests words or phrases shall be defined and interpreted in accordance with the Co-operative Societies Act CAP 490 and the Rules made there under, hereinafter referred to as the "Act" and "Rules" respectively.

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

- (i) "General Meeting" shall mean a meeting (either "annual" or "special") for all members duly convened by the Union to conduct its business.
- (ii) "The Board of Directors" shall refer to members elected in a duly convened General Meeting to govern the Business of the Union as per these by-laws herein referred to as 'the Board'.
- (iii) "Commissioner" shall mean Commissioner for cooperative development as provided for in the Act.
- (iv) "Member" shall include a registered cooperative which signed the application for registration of the Union and any other cooperative admitted to membership after registration in accordance with these by-laws.
- (v) "Limited liability" shall mean that the liability of a member is limited to her share holding in the Cooperative Union.
- (vi) "Bonus" shall mean the member's share of the surplus of the Union which is divided amongst its members, calculated by reference to the proportion which the member's volume of business with the Union bears to the total volume of the business done by the Union.
- (vii) "Capital" shall mean the permanent members equity in the form of common stock and includes all disclosed reserves, retained earnings, grants or donations.
- (viii) "Returning officer" shall mean a County Director for Cooperatives or his/her representative.

- (ix) "Special resolution" means a resolution passed by two-thirds of the members present and voting at a general meeting of the Union.
- (x) "Applicable Law" shall mean the Co-operative Societies Act, Rules and these by-laws and any other relevant law.
- (xi) "Corporate member" shall mean incorporated and unincorporated bodies admitted into membership.
- (xii) "Chief Executive Officer" shall mean an officer employed by the board to manage the affairs of the Union herein referred to as CEO.

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

4 OBJECT

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

4.2 In particular, the union shall undertake:

1. (1)
 - (a) aggregation and warehousing of members produce;
 - (b) provision of specialized services;
 - (c) processing and value addition;
 - (d) provision of wholesale credit to members;
 - (e) lobbying and advocacy;
 - (f) marketing and organizing for joint sale for affiliate members produce;
 - (g) information and publicity; and
 - (h) education, training and capacity building.

(2) Despite the generality of subsection (1), a union shall not operate in direct competition with its members or provide similar services as that of its members.

4.3. For the attainment of the above objects, the Cooperative may act and do things that are permissible under the Act, Rules and these By-laws, and incidental or consequential to the economic enhancement of members, provided that such acts are approved by the General meeting.

5 CO-OPERATIVE PRINCIPLES AND VALUES

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

5.1 PRINCIPLES

a) *Voluntary and open membership*

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

b) *Democratic member control*

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

c) *Economic participation by member*

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

d) *Autonomy and independence*

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

e) *Education, training and information*

The Union 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 Union shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.

g) *Concern for community in General*

The Union shall show concern to the community in general.

5.2 VALUES

The Cooperative shall uphold the values of self-help, democracy, solidarity, equality and equity. It shall practice the ethical values of 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. CONDITIONS AND QUALIFICATIONS FOR MEMBERSHIP

a) A registered primary co-operative society applying for membership with the Union shall submit to the Board of the Union the following:-

i) Certified copy of certificate of registration.

ii) Certified copies of the resolutions passed at the member Society General Meeting authorizing the affiliation and membership application together with a declaration of acceptance of the Union by-laws.

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

9.2 An applicant shall be admitted to membership upon payment of a membership fee of Kshs.....and for such other minimum shares as shall be fixed by the General meeting from time to time.

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

9.4 The member shall sign the register of members in the presence of two members of the Board to signify acceptance of the by-laws of the Union.

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

10. REFUSAL OF ADMISSION

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

12. SHARES

a) Every member shall hold at least shares of nominal value of Kshs..... each provided that no member other than a registered cooperative Union shall hold more than one fifth of the total share capital subscribed.

b) Unless otherwise provided by the Board, shares shall be paid in full at the time of acceptance of the application for membership of the Union.

13 RIGHTS OF MEMBERS

A member of the Union shall have the right to:

- a) Attend and participate in decision-making at all general meetings of the Union and vote;
- b) Be elected to organs of the Union, subject to these by-laws;
- c) Enjoy the use of all the facilities and services of the Union subject to the Union's by-laws;
- d) All information relating to the Union, including: internal regulations, registers, minutes of general meetings and supervisory committees, reports, annual accounts, inventories and investigation reports, at the Union's registered office except those documents deemed to be of confidential nature.

14 OBLIGATIONS OF MEMBERS

A member of the Union shall have the obligation to:

- a) Observe and comply with the Union's by-laws, regulations and all decisions taken by the relevant organs of the Union;
- b) Buy and pay up for shares or make any other regular payments provided for in these by-laws;
- c) Meet the debts of the Union in case of insolvency in accordance with the provisions of the Act and these by-laws.

15 CESSATION OF MEMBERSHIP

- (i) Membership of the Union shall cease:-
 - a) On cancellation of the registration of the member and liquidation thereof.
 - b) On application by the member indicating withdrawal from the Union provided that such application is approved by the Board and subject to confirmation by the General Meeting.
 - c) Expulsion from membership.
 - d) Transfer of shares.
- (ii) a) Where membership is terminated, the member shall receive the value of interest held in the union after deduction of any sums owed, within two years after such termination.

16. WITHDRAWAL FROM UNION

A member may at anytime withdraw from the Union by giving at least sixty (60) days written notice to the Board.

17 SUSPENSION/EXPULSION

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

- a) Fails to fulfill obligations to the Union whether stated in the Act, Regulations or these by-laws, general internal rules, or a resolution of the general meeting, provided such a member has been called upon to do so but has failed,
- b) Acts in any manner prejudicial to the interests of the Union.
- c) The suspension period shall not exceed 12 months.

18 PROCEDURE OF SUSPENSION

- a) Upon formal and written proof that a member has committed a violation punishable by expulsion, the Board shall serve a thirty (30) days written notice to the member stating the reason(s) for the proposed expulsion and requiring the member to file a defense.
- b) Upon the expiry of the 30 days and taking into consideration the member's defense if any, the board shall initiate administrative inquiry and make a decision on its findings within 15 days. The Board may;-
 - i. Suspend the member pending expulsion by the General Meeting or
 - ii. Impose any other punishment as provided for in the applicable law.
- b) The suspended member may appeal to the General Meeting if not satisfied with the decision of the Board.
- c) The board shall present their findings to the next General meeting which may either lift the suspension or expel the member.
- d) A member who is expelled from the Union shall have the right to appeal to the tribunal.

19 TRANSFER OF SHARES

- a) With the approval of the Board, a member may at any time transfer his shares to another member but not to a non -member. Such transfers must be in writing and at nominal value.
- b) All transfers of shares shall be registered with the Union and no transfer shall be valid unless so registered. A fee of Kshs.....shall be payable by the transferee to the Union.

20 PAYMENT ON CESSATION OF MEMBERSHIP

On cessation of membership, a member shall be refunded any deposits, dividends or interests due prior to the date membership ceased and other sums held by the Union on her behalf after deductions of any sums owed to the union.

21. LIABILITY

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

22. FUNDS OF THE UNION

22.1 The funds of the Union shall consist of:

- a) Membership fee,
- b) Share capital,
- c) Fines,
- d) Statutory reserve fund and any other reserve fund as may be kept by the Union.
- e) Surplus resulting from the operations of the Union,
- f) Any donations from organizations.
- g) Grants
- h) Funds from lawful miscellaneous sources

22.2 The funds of the Union shall be applied to the promotion of the stated objects of the Union as set out in these by-laws and purpose set out in the Act and Regulations and shall be invested in:

- a) Investments and securities as are authorized for the investment of trust funds,
- b) The shares of any other co-operative,
- c) Any bank licensed under the Banking Act,
- d) Government bonds, treasury bills, and unit funds.
- e) The stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya.
- f) Any other manner approved by the General Meeting of the Union.

23. POWER TO BORROW

- a) Loans may be obtained from members and non-members subject to the maximum amount and terms approved by the General meeting and the commissioner.
- b) For the securing of any loans accepted by the Union under paragraph (a) above, the Union may grant a charge over its assets. The authority to grant a

charge shall be reserved to the General Meeting subject to approval and the registration by the commissioner.

- c) The rate of interest on loans shall not exceed the prevailing market rates.

24. RECEIPTING OF MONEY

- a) The Cooperative may use Electronic Funds Transfer, Mpesa, mobile banking or standing orders for any payments for members shares, deposits, loan repayments or services and any other payments.
- b) Money paid on account of shares, interests, fees, fines or any other source shall be evidenced by a printed receipt in a form to be approved by the Board. Every person paying any money on behalf of the Union shall be identified on the receipt.
- c) Should the receipt given to the member by the Union be lost or destroyed, immediate notice of such fact shall be given to the CEO who may be authorized by the Board to issue a duplicate receipt. The Board may require the member to sign an indemnity to protect the Union against any loss due to the issuance of such duplicate. The Board may also require payment to the Union of a reasonable fee to cover the cost of issuing the duplicate receipt.

25. PAYMENT

Payments made by the Union shall be evidenced in writing in a form approved by the Board.

26. STATUTORY RESERVE FUND

- a) The Union shall pay into the statutory reserve fund maintained in pursuance of the provisions of the Act Section 47 and Rule 37, one fifth (1/5) of the net surplus resulting from the operations of the Union during a financial year.
- b) The reserve Fund of the Union shall be invested in the manner provided for in these by-laws.
- c) The Reserve Fund of the Cooperative shall be invested in cash or near cash investments such as government bonds, fixed deposit accounts or unit trusts.
- d) No withdrawal shall be made from the reserve fund of the Union without a resolution from the General Meeting and a written approval from the Commissioner.

27. GENERAL MEETING

- 27.1** The supreme authority shall be vested in the general meeting of members. General meetings shall be attended by:

i) Such number of delegates as apportioned to each member by the general meeting.

ii) The names of the delegates/representatives shall be submitted to the Union 7 days before its General meeting.

27.2 All members attending the General Meetings shall participate in all its deliberations; however they may be required to identify themselves.

27.3 An Annual General Meeting shall be convened within four months after the end of the Union's financial year.

a) Any business not completed at the annual General Meeting, may be taken up at a subsequent special General Meeting of the Union.

27.4 A special general meeting of the Union may be held:-

i. When convened by the Board.

ii. When convened by the Commissioner.

iii. When convened by the Board within fifteen (15) days of receipt of a written request by at least members or one fourth of the members, whichever is less. Provided that, the request is deposited by registered mail at the Union's address or delivered to the Chief Executive Officer at the Union's offices within normal working hours.

iv. If the Board fails to convene a meeting within fifteen days of receiving notice under the Act, the members demanding the meeting may themselves convene the meeting by giving notice to the other members of the Union and the commissioner, stating the object and reasons for the meeting and the fact that the Board has failed to convene the meeting.

28. DUTIES OF GENERAL MEETINGS

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 Board, the Commissioner and the audited accounts on the Union'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 and the Supervisory Committee, subject to the Act, Rules and these by-laws.
- e) Decide on diversification of services.
- f) Fix the indemnity for the elected Board members and management staff.
- g) Confirm or reject admission of new members.
- h) Consider recommendations from the Board and supervisory committee on suspension of members.
- i) Consider appeal against refusal of membership by the Board.
- j) Fix the maximum liability which the Union may incur in loans from both members and non-members.
- k) Approve the estimates of income and expenditure for the financial year following the General Meeting.
- l) Fix the honoraria, if any, for officers or employees of the Union.
- m) Decide the management structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
- n) Approve strategic plans.
- o) Appoint bankers, auditors and advocates of the Union for the ensuing year.
- p) Transact any other business of the Union for which notice has been given to members in the manner prescribed in these by-laws.

29. CHAIRMAN OF GENERAL MEETINGS

At all General Meetings the Chairman shall preside, however in his absence the Vice Chairman shall preside. In their absence the delegates present shall choose one of their members to be the chairman of the meeting 15(fifteen) minutes after the time advertised time of the meeting.

30. VOTING AT GENERAL MEETINGS

- a) All matters shall be decided by the simple majority vote of delegates present and voting in the General Meeting.
- b) Every delegate and any member including the chairman shall have one vote only.
- c) No member shall be entitled to vote by proxy.

31. 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.

32 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 ensure publication of the notice of the meeting in public places, on the Union'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.

33. QUORUM

Except when convened by the Commissioner, the presence of at least delegates or 25% of the total delegates, 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 shall fix a date within one month for the adjourned meeting, which shall be advertised as prescribed in these by-laws. If at such a meeting a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

34 ELECTIONS

- a) With every notice of a General Meeting convened in accordance with these by-laws, where elections will be held, the Board shall notify the delegates of the vacancies arising in both the Board 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) Elections shall be by secret ballot. This can be done physically or by electronic voting in a manner agreed upon by delegates.
- d) A delegate may be elected in absentia.

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

35 THE BOARD

35.1 The Board shall be the governing body of the Union elected from the 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.

35.2 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.

35.3 If during the term of office of the board, a vacancy occurs.

- a) The Board shall, if the number falls below five (5) co-opt qualified member(s) into the Board until the next General Meeting.
- b) The vacancy shall be filled in the next General Meeting.

36. ELIGIBILITY FOR MEMBERSHIP TO THE BOARD

No person shall be eligible to be a member of Board of Directors if she/he;-

- a) Has been adversely mentioned by the Commissioner in an inquiry report while in management of any cooperative institution, or mentioned in any other national inquiries for engaging in dishonest activities.
- b) Is undischarged of any offence involving dishonesty, a crime involving fraud, perjury or breach of contract of a licensed financial institution.
- c) Has been convicted of any offence involving dishonesty or is imprisoned for three months or more with a crime involving fraud, perjury or breach of contract of a licensed financial institution.
- d) Represents a cooperative that is a delinquent on loans with the Union for more than 60 days within 2 years prior to elections;
- e) shall not have attained a minimum of Kenya Certificate of Secondary Education or equivalent;
- f) Is undischarged bankrupt ;
- g) Is under 18 years of age;
- h) Is of unsound mind;
- i) Is an official of or holds a political office at any level
- j) Does not conform to minimum qualification standards in accordance with the applicable law.
- k) Has been removed from any other office on disciplinary action.

38. BOARD MEETINGS

- a) Meetings of the Board shall be held regularly but upto a maximum of fifteen (15) sittings annually. At least five (5) of the total number of members of the Board 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 duties, his position shall be declared vacant and the vacancy filled as provided for in these by-laws.

39. RECORD OF BUSINESS OF THE BOARD

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 matters discussed or decided at the meeting.

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

40. DUTIES AND POWERS OF THE BOARD

The Board shall, subject to any directions from the General Meeting direct the affairs of the Union. 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) Ensure that true and accurate records and accounts of the Union's money, properties, capital reserves, liabilities, income and expenditure are kept and maintained;
- d) Prepare and develop long term management plans and budgets for presentation at the General Meeting;
- e) 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 Union;
- f) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation to members at the general meeting;
- g) Lay before the General Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- h) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on deposits;
- i) Fill by co-option, vacancies occurring in the Board between General Meetings;
- j) Recommend investments of the Union to the General Meeting;
- k) Authorize borrowing and credit operations of the Union in accordance with the Act and the Rules;
- l) Designate a depository or depositories for the funds of the Union;**
- m) Impose fines as provided for under these by-laws;
- n) Approve transfer of shares;

- o) Ensure adequate provisions for known and probable losses and recommend to the General Meeting the write-off of bad debts.
- p) To provide adequate budget for education and training of members, the Board and staff;
- q) Purchase, sell or otherwise acquire or dispose off movable and immovable property of the Union.
- r) Fix the limits of cash balance to be kept by various officers and branches and authorize officers to sign or execute receipts and other documents on behalf of the Union.
- s) Arrange for raising funds for carrying on the business and determine the terms and conditions thereof;
- t) decide the terms, period for and the rate of interest at which deposits are to be received and to arrange for repayment of such deposits;
- u) Frame rules regarding recruitment, appointment, suspension, punishment and other conditions of service in respect of the employees of Union, and to prescribe the scale and nature of securities to be obtained from the employees where necessary.
- v) Approve and sanction the staff required, from time to time, for carrying on the business of Union and to prescribe the scales of pay and other allowances, in respect of the employees of Union.
- w) Employ and fix remuneration of the employees including the appointment of Chief Executive Officer, Departmental managers and branch managers in accordance with the terms and conditions of service as approved by the Commissioner.
- x) Sanction expenditure on purchase of furniture and fixtures, stationery, vehicles and other items required by Union and also sanction other contingent expenditure. Board may delegate these powers to the CEO and other officers of Union subject to such restrictions as it may deem fit.
- y) Through any member or officer or employee of Union or any other person, specially authorized, to institute, conduct, defend, compromise, refer to arbitration or abandon legal proceedings by or against Union or its officers/employees concerning the affairs of Union.
- z) Appoint Board committee as may be necessary from amongst its members and delegate to them such powers as may be appropriate.
- aa) Appoint trustee and attorney for the business of Union.
- bb) Delegate its powers to such officers of the Union as it may deem fit.
- cc) Authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the General Meeting;
- dd) Receive and consider reports from the established Board committees.
- ee) Perform such other duties as the General meeting and the Commissioner may from time to time direct.

42. LEGAL STANDARD OF CARE

In the conduct of the affairs of the Union, the Board members 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.

45. EXPENDITURE

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

46. INDEMNITY

All Board 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 fourteen (14) days upon election to the Board.

47. DECLARATION OF WEALTH

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

DELEGATION TO EMPLOYEES

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

48. EXECUTIVE OFFICERS

The Chairman, the Vice-Chairman, the Treasurer and the Honorary Secretary shall be termed as the "Executive Officers of the Union" and shall be elected at a meeting of the Board held within seven (7) days after elections at the General Meeting.

49. THE CHAIRMAN

The Chairman shall:

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

50. THE VICE-CHAIRMAN

The Vice-Chairman shall perform:-

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

51. HONORARY SECRETARY

The duties of the Honorary Secretary are:

- (a) To ensure minutes of the Board meetings, General Meetings and joint meetings with the Supervisory Committee are recorded.
- (b) Ensure preparation and publication of notices of meetings.
- (c) To ensure that the Union's correspondence is promptly and correctly attended to, and
- (d) To perform such other duties as may be directed by the Board.

52 TREASURER

The duties of the Treasurer shall be:

- a) To generally manage or cause to be managed the financial affairs of the Union in a competent manner;
- b) To ensure that a proper record is kept of all monies received and paid out by the Union, its assets, liabilities, capital reserve and its income and expenses;
- c) To ensure the safekeeping of the Union money, securities and books of accounts;
- d) To ensure that all payments and expenditures are duly authorized;
- e) To ensure that within ten days after the closure of each month, a financial statement showing the condition of the Union finances at the end of the preceding month is prepared and submitted to the Board for discussion;
- f) To ensure compliance with all directions of the Board, the Act, the Rules and these by-laws on all financial matters, and
- g) To perform such other duties as may be directed by the Board.

53 SUSPENSION FROM THE BOARD

- 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.

54 REMOVAL FROM THE BOARD

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

- a) Ceases to hold qualifications of a Board 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 recalled/ replaced by the Primary Cooperative;

- d) Is voted out by two-thirds (2/3) majority of the Union members present and voting at the general meeting.

55. BOARD-COMMITTEES

- a) The Board committees shall consist of persons drawn from the Board.
- b) The Board may delegate to the Board committees some of its powers and duties under these by-laws as it deems fit.
- c) These Board committees shall convene as directed by the Board.

55.1 BUSINESS COMMITTEE

- a) Business Committee shall comprise of;
 - (i) All Directors
 - (ii) CEO
 - (iii) Operations Manager
 - (iv) Any other co-opted officer(s)

- b) Functions of the Business Committee
The Business Committee shall;
 - (i) Lay down the general policy about the overall business of the Union.
 - (ii) Prescribe such terms and limits as it deems fit from time to time.
 - (iii) Review the progress made in business quarterly.

- c) The Business Committee may meet as often as necessary but at least once in every quarter. Five members shall form a quorum.

- d) The meeting shall be presided over by the Chairman, in his absence the Vice-Chairman, and in their absence, the members present may elect their own chairman from amongst themselves.

55.2 FINANCE AND ADMINISTRATION COMMITTEE

- a) The Board shall constitute Finance and Administration Committee comprising as under:
 - (i) Three Directors
 - (ii) CEO
 - (iii) Finance Manager

- b) Functions of Finance and Administration Committee
Finance and Administration Committee shall:
 - (i) Review periodically the performance of the Union, branches, important Financial Statements and ensure compliance thereof.

- (ii) Advise the board on investments and borrowings.
- (iii) Make recommendations to the board on capital expenditure projects.
- (iv) Ensure all expenditure of the Union is within the approved budgets.
- (v) Monitor the management's adherence to the procurement plans approved by the board.
- (vi) Address Human resources issues
- (vii) Perform any other duty delegated by the board

55.3 AUDIT AND RISK COMMITTEE

- a) The Board shall constitute Audit and Risk Committee comprising as under:
 - (i) Three Directors who are not members of the Finance and Administration Committee and not an executive officer.
 - (ii) Internal Auditor
- b) Functions of Audit and Risk

Audit and Risk Committee shall:

- (i) Review periodically the performance of the Union, branches, important audit observations and ensure compliance thereof.
- (ii) Advise the board on investments and borrowings.
- (iii) Make recommendations to the board on capital expenditure projects.
- (iv) Ensure all expenditure of the Union is within the approved budgets.
- (v) Monitor the management's adherence to the procurement plans approved by the board.
- (vi) Give suggestions wherever deemed necessary.

55.4 CREDIT COMMITTEE

- The credit committee shall consist of three members of the Board, none of whom shall be an Executive officer. Its duties shall be to:
- a) Hold regular meetings as the business of the society may require, but at least once a month
 - b) Vet loan applicants and their guarantors and their ability to service their credit requirements.
 - c) Assist members solve their financial problems.
 - d) Maintain records of their deliberations on loans.

55.5 MARKETING COMMITTEE

The marketing committee shall consist of:

- i. Three Directors
- ii. CEO
- iii. Marketing manager

Duties

- a) Review and make recommendations regarding branding and marketing of the union products.
- b) Identify and promote 'best practices' in marketing.
- c) Ensure development of marketing strategies, programs and activities to be carried out.
- d) Ensure review of the union's marketing plans and advertising strategies.
- e) Monitor the Unions Public image and brand strength.
- f) Make recommendations to the board on appropriate and effective communications marketing messages and public relations.
- g) Make regular reports to the board on its activities.

56 EDUCATION COMMITTEE

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

- a) To organize education programmes for members, Board members, staff and the general public.
- b) To ensure that both the Board members and the staff are well trained and prepared for the tasks they are entrusted with at the Union.
- c) To create co-operative awareness to the general public.

57 TENDER COMMITTEE

The tender committee shall consist of members of the Management Staff.

58 SUPERVISORY COMMITTEE

- a) The Union shall have a supervisory committee consisting of three members each elected at the General Meeting for a period of three years and one member of the supervisory committee shall retire annually but eligible for re-election. No person who has been in the Board within two (2) years preceding the date of the anticipated election shall be eligible for membership of the supervisory committee.
- b) The supervisory committee shall:
 - i. Hold quarterly meetings save for joint meetings with the board.
 - ii. Have qualifications similar to those of Board members.
 - iii. Be required to have basic knowledge of accounts.

58 DUTIES OF THE SUPERVISORY COMMITTEE

- 58.1 The duties of the supervisory committee shall include:
- (a) Counterchecking, the effectiveness of the Union's internal control systems through:-
 - i. Carrying out investigations as may be necessary for the well-being of Union and members in general and verifying the accuracy of the transactions of the Union.
 - ii. Checking if cash and bank accounts are reconciled in good time.
 - iii. Establishing whether the management of the Union use managerial tools i.e. budgets, trial balances, economic reports, long term plans and others and thereafter making necessary recommendations to the Board.
 - (b) Preparation and presentation of periodic reports to the Board during joint meetings.
 - (c) Presentation of Annual Report to the General Meeting.
 - (d) Submission of its reports to the Commissioner and/ or the County Director.
- 58.2 The supervisory committee shall be held liable for any loss incurred due to their negligence in performing their duties.

59 MANAGEMENT STAFF

- a) The Board shall appoint the Chief Executive Officer, Internal Auditor, Production manager, Finance manager, marketing manager etc. on such terms and conditions and for such period as it may decide.
- b) The Management Staff shall conduct the business of the Union and shall exercise control over its administration subject to the overall control of the board.
- c) They shall advise the Board, Board committees and supervisory committee in framing the policies and programmes of the Union and implement the same after approval.

60 THE CHIEF EXECUTIVE OFFICER (CEO)

The CEO shall be responsible of the day-to-day operations of the Union subject to overall control of the Board.

61 DUTIES OF THE CHIEF EXECUTIVE OFFICER

The CEO shall:-

- a) Advise the Board and other Committees in formulating the policies and programmes of the Union and implement these after approval,
- b) Supervise the work of all staff and ensure that the business of the Union 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 Board and other Committees and also to the Commissioner and/ or County Director.

- d) Be responsible for the security of the funds and assets of the Union,
- e) Be responsible for the security of warehouses, machinery, manufactured goods and all the assets of the Union.
- f) Ensure maintenance and custody of Union books, accounts, assets, registers, certificates, Union's seal, cheque books and other accountable documents,
- g) Ensure that all statutory deductions are correctly calculated and that all the amounts due and the necessary returns are submitted by the due date.
- h) Ensure that rent, rates, levies and debts due from and to the Union are paid by the due date.
- i) Recommend to the Board the filling of any vacant positions and dismissal of any employee who is not performing his duties properly.
- j) Attend general and Board meetings as an ex-officio.
- k) Circulate notices of board meetings and publish notices of general meeting.
- l) take necessary steps to implement decisions of various meetings including matters relating to purchase of raw materials, sales, storage, manufacturing of farm inputs and other commodities, machinery, and matters incidental thereto;
- m) Be responsible for the general conduct, supervision and management of the day-to-day business and affairs of the Union.
- n) Receive and sign receipts of all moneys received and securities on behalf of the Union and to arrange for the safe custody of cash, records, properties and other securities of the Union.
- o) Assist in the inspection of books and records by various authorities empowered to do so under the Act, Rules and By-Laws.
- p) Incur expenditure within the approved budget estimates;
- q) Keep in safe custody all the registers and other documents in use by the Union and other property of the Union.
- r) Arrange for the safe custody of all moneys received by the Union and all other properties of the Union, and for proper maintenance of accounts thereof and for investment of funds of the Union subject to the provisions of the Act, Rules and directions of the Board.
- s) Determine the powers, duties and responsibilities of the employees of the Union for ensuring proper conduct of the day-to-day business of the Union.
- t) Delegate any of his duties to employees of the Union.
- u) Perform such other duties as may be assigned by the Board.

62 BOOKS OF ACCOUNTS AND RECORDS

The Union shall keep up to date and in a proper businesslike 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, Cooperative Society Registration Number, date of registration of the member, for date of application for membership, address and type of business;
 - ii. Date of admission to membership;
 - iii. Date of cessation of membership,
 - iv. Any other information as may be required by the Union from time to time.
- b) Minute books giving details of proceedings of the General Meetings, Board meetings, joint Board & Supervisory Committee Meetings, Supervisory Committee meetings and all other meetings held in accordance with these by-laws.
- c) A cashbook showing the details of all monies received or paid out by the Union.
- d) A general ledger containing such accounts as is necessary to reflect the business of the Union.
- e) Ledger for each member showing transactions with the Union.
- f) A register of assets.
- g) 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.
- h) Such other books and records as the Board may decide or that the Commissioner may prescribe.

63 AUTHORIZATION TO SIGN DOCUMENTS

63.1 All documents, contracts and cheques shall be signed on behalf of the Union by any three of the following:

Chairman;
Vice Chairman;
Secretary; and
Treasurer

63.2 The CEO shall countersign all accountable documents.

63.3 The Board may authorize any other officer to sign the Union's documents.

64 FINANCIAL YEAR

The financial year of the Union shall be from.....to

65 DISPOSAL OF SURPLUS FUNDS

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

- a) 20% shall be credited to the Reserve Fund. (check on usage)
- b) The balance may be disposed of as decided by the General Meeting for:
 - i. Paying bonuses or interest on shares.
 - ii. Being forwarded to Education Fund or any other fund or funds of the Union including the appropriations.
 - iii. Paying a honorarium to committee members.
 - iv. In any other way approved by the General Meeting.

66 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 ten percent (10%) of total share capital for the specific purpose of meeting requests for deposit withdrawals and other emergency pay-outs. The cash reserve may consist of cash in hand, the balance in the current and savings accounts, and fixed deposits.

67 COMMON SEAL

- a) The Union shall adopt and use a common seal. The seal shall have an imprint bearing the words "seal of.....
CO-OPERATIVE UNION LIMITED" which shall be different from the ordinary name-stamp of the Union.
- b) The seal shall be kept securely under lock and key by the CEO and shall be used only in the presence of the officers authorized to sign documents on behalf of the Union.

68 FINES

For any breach of these by-laws or lawful instructions issued by the Board and General Meeting, the member shall be fined an amount not exceeding Kshs.20,000.00.

69 DISPUTES

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

- a) Among members, past members and persons claiming through members, past members, cooperatives in liquidation; or
- b) Between members, past members, cooperatives in liquidation, and the Union, its Board or any officer of the Union; or
- c) Between the Union and any other co-operative Union; and
- d) Any dispute arising from these by-laws or concerning the business of the Union; which cannot be determined by the Board or General Meeting shall be referred to the Commissioner and the Cooperatives Tribunal.

70 INSPECTION OF DOCUMENTS

- a) All books of accounts and other records shall at all times be available for inspection to all member cooperatives, the Board and supervisory committee of the Union, and to the Commissioner. A copy of the Act, the Regulations, the by-laws and the Union's Registration certificate.
- b) A list of members their shareholdings or indebtedness shall be available for inspection by any member and any other stakeholder upon payment of the prescribed fees.

71 DISSOLUTION

The Union may be dissolved in accordance with the procedures set forth in the Act and the Rules.

72 MISCELLANEOUS

- a) No Board member or Supervisory Committee member shall receive from the Union any payment apart from sitting allowance, actual cost of traveling and subsistence allowance while working on the Union's business, except an honorarium from the net surplus as allowed in these by-laws.
- b) The Board members, supervisory committee members and employees of the Union shall hold in the strictest confidence all transactions of the Union 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.
- c) When any Board member is disqualified or otherwise, unable to perform his duties, the Board may co-opt another delegate of the Union to serve on the Board until the next general meeting.
- d) A copy of these by-laws shall be furnished to every member on request upon payment of a fee not exceeding its actual cost to the Union.
- e) No Board member, supervisory committee member or employee of the Union shall in any manner participate in the deliberations upon or determination of any question affecting his own interest or interests of the cooperatives they represent. In the event of disqualification of the Board member he shall withdraw from such deliberation or determination, and the remaining qualified Board members present at the meeting, if constituting a quorum, may exercise with respect to the matter, all powers of the Board

73 AMENDMENT OF BY-LAWS

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

74 ACCEPTANCE

We the undersigned Executive officers ofCo-operative Union Limited named herein hereby accept and receive these by-laws for and on behalf of the Union.

TITLE	NAME	ID/NO	SIGNATURE
CHAIRMAN.....			
VICE CHARIMAN			
SECRETARY.....			
TREASURER			

OFFICIAL CERTIFICATION

I CERTIFY that the foregoing by-laws of the Co-operative Union Limited have been approved and duly registered.

Given under my hand in Nairobi, this Day of 20.....

COMMISSIONER FOR COOPERATIVE DEVELOPMENT