

BY-LAWS OF

YES

HOUSING COOPERATIVE

SOCIETY LIMITED.

P. O BOX 73146
00200 NAIROBI
KENYA

BY-LAWS OF YES HOUSING COOPERATIVE SOCIETY LIMITED

1. NAME AND AREA OF OPERATION

This Society shall be called "**YES HOUSING COOPERATIVE SOCIETY LIMITED**" referred hereinafter to as the "**SOCIETY**". The Society's area of operations shall be in Nairobi East District

2. REGISTERED OFFICE AND POSTAL ADDRESS

The registered office shall be located at **Mombasa Road Nairobi**. The postal address shall be **P. O BOX 73146-00200 Nairobi**. Notice of any change of address shall forthwith be given to the Commissioner for Co-operative Development and marketing and to all members of the Society within 30 days of such change.

3. DEFINITIONS / INTERPRETATIONS

- a) Unless the context otherwise requires, words or phrases shall be defined in accordance with the Cooperative Societies Act No.12 of 1997 and Amendment Act of 2004 and the Rules made there under, hereinafter referred to as "The Act" and "The Rules" respectively in their proper alphabetical order.
- b) "**Commissioner**" means the Commissioner for Cooperative Development under section 3 of the Act.
- c) "**Tribunal**" means the Cooperative Tribunal established to hear and determine disputes under the Act.
- d) "**Member in good standing**" means a member who is currently on the repayment of his/her loan payments due to the society and who is current on making his/her contributions and has not in any way acted in a manner which is potentially damaging to the society and has fully complied with the policies and rules set by the Society.
- e) Where the provisions of the by-laws are set out in the masculine gender they apply equally to the feminine gender.

4. OBJECTIVES

The objects for which the society is established are:-

- a) To provide for its members living accommodation within the area of its operation at a fair and reasonable price together with such ancillary services as roads, drainage, water and light and together with facilities for physical and cultural recreation and all such other matters as are usual, customary and desirable for building estates, blocks of flats or single dwellings.
- b) To achieve the objects set forth in By-laws 4(a) hereof the society may perform and carry on all the usual functions of a cooperative Society as governed by the Cooperative Societies Act No.12 Of 1997 and Amendment Act 2004 hereinafter referred to in these By-laws as "The Act" and the Rules promulgated there under) and may in addition:-

- (i) Raise funds by accepting deposits and by contracting for loans from members or non-members by issuing debentures or mortgaging its property or by any other means up to a maximum amount to be decided by the General Meeting .
- (ii) Lend money to members for any purpose directly concerned with the acquisition of living accommodation for themselves on such terms and with such security as the Managing Committee may from time to time determine or guarantee loans and advances to members for similar purposes.
- (iii) Undertake building operations by such means either directly or indirectly as the Committee may decide.
- (iv) Acquire supplies of building and similar materials and machinery of all kinds including household furniture and equipment for use in building or for sale or for hire .
- (v) Acquire and relinquish lands , buildings and rights over land and buildings by purchase ,lease or any other means as may be necessary for the attainment of these objects.
- (vi) Employ architect ,builders ,contractors, issue plans ,negotiate and contract services for light and power , water drainage , roads and generally do all such things as are necessary and customary for the acquisition of land and its development for housing purposes.
- (vii) Enter into contracts members for the sale or lease of land and building acquired by the society in pursuance of its objects on such terms and conditions as may from time to time be determined .
- (vi) Do all such things as are incidental to or necessary for the attainment of any or all foregoing objects for the society.

C. CO-OPERATIVE PRINCIPLES

In order to achieve the objectives for which it is established , the society shall at in accordance shall act in accordance with the following Cooperative Principles, namely :-

- a) Voluntary and Open Membership
- b) Democratic Member Control
- c) Economic Participation by Members
- d) Autonomy and Independence.
- e) Education, Training and Information.
- f) Co-operation among Co-operatives.
- g) Concern for Community in General

5. CAPITAL:

The capital of the Society shall be an undetermined number of shares of the value of 1000 shillings.

6. SHAREHOLDING:

In accordance with the provisions of the Act, no member other than a registered society under the Act shall hold more than one-fifth of the total share capital of the society.

7. LIABILITIES:

- a) The liability of a member shall be limited to the nominal value of the shares held by him/her in the society.
- b) In the event of liquidation, the funds will be distributed according to the shareholding.

8. FUNDS:

The funds of the society shall consist of; -

- a) The share capital and entrance fees
- b) Deposits
- c) Loans from members and non- members
- d) Purchase installments , interests and commission
- e) Reserve funds and other reserves established with approval of the General Meeting
- f) Surplus Funds

The funds of the society shall be applied to the promotion of the stated objects of the society set out in by-law 4.

9. ENTRANCE FEE:

The entrance fee payable for membership is **KSHS 1,000** and all entrance fees shall be credited to the Reserve Fund.

10. MEMBERSHIP

A person of either sex may become a member provided that:-

- a. Is within the field of membership consisting of the following common bond;-
 - i) An employee of Celtel Kenya, Nokia-Siemens-Networks, Cell-tours & Travel and Kenya Data Network.
 - ii) An employee of YES Housing Co-operative Society.
- b. Is at least 18 years of age and makes application for membership in accordance with the society's by-laws.
- c. Is of sound mind.
- d. Is of good character.
- e. Is an heir to a deceased member provided that he shall not qualify for the rights and privileges of membership until he attains the age of eighteen years.
- f. Is ready to adhere to the by laws and other resolutions of the general meeting

11. APPLICATION FOR MEMBERSHIP

Every applicant for membership shall be made in writing to the Secretary of the society on application for membership form.

12. ADMISSION INTO MEMBERSHIP

An applicant shall be put before the Management Committee, which may admit the application or reject any applicant or reject any application by assigning reasons thereof, provided that their decision shall be ratified by the General Meeting.

13. RIGHTS OF MEMBERS.

A member of the society shall have the right to:

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

14. OBLIGATIONS OF MEMBERS

Before membership rights may be exercised a member must:-

- a) Pay the entrance fee and purchase a minimum of 10 shares.
- b) Sign either the Member's Register or a Membership Form either of which shall be deemed to bind the member to accept the rights and duties of membership as set forth in the Act, Rules and these By-laws.
- c) Nominate in writing and in accordance with rule 11 of the Rules the name of one or more persons to whom on the death of the member his/her shares and interests shall be transferred. Such nomination shall be made either by writing the nominee's name in the members Register or by giving it in sealed envelope to the Secretary of the society. In the latter case an appropriate entry shall be made in the member's Register.
- d) Any payment to the society must be:-
 - i) Direct cash payment to the bank account
 - ii) Through a standing order
 - iii) Through check-off

15. WITHDRAWAL FROM MEMBERSHIP

A member may resign or withdraw from the society after giving four month's notice in writing to the secretary provided that he has no debt to the society.

16. CESSATION OF MEMBERSHIP.

Membership shall cease or be deemed to have ceased in regard to any member:-

- a) On his death.
- b) When his or her resignation is accepted by management committee.
- c) On his expulsion.
- d) On being certified as being of unsound mind.
- e) On the transfer of all shares held by him.

17. NOTICE TO SECRETARY.

All cessation of membership for whatever cause or reason shall be reported by the secretary at each committee meeting and at each Annual General Meeting.

18. RIGHTS OF NOMINEE (S)

- (i) on the death of a member or if she is certified to be of un sound mind ,his nominee , if eligible for membership under by-law 10,may apply and be admitted as a full member without paying further entrance fee , and shall acquire all assets and rights and assume all debts and responsibilities s of the member by whom he/she was nominated.
- (ii) If ineligible e only on grounds of age ,such nominee may if he so wishes be granted all the rights and liabilities of membership of the deceased member ,except the right to vote which right he may not have until he attains the age of 18 years .
- (iii)If the nominee does not wish to become a member he shall be paid all sums due to him/her as nominee within 60 days.

19. NOMINEE'S OBLIGATIONS

Once the nominee has accepted member ship, then his/her obligations become similar to those of a member as indicated earlier.

20. SUSPENSION FROM MEMBERSHIP

- a) A member may be suspended from membership by the committee pending a final decision on expulsion by the General Meeting , against whose decision an appeal may be made to the Tribunal established under section 77 of the Act for one or more of the following reasons :-
 - i) Any action adjudged to be prejudicial to the society and the spirit if cooperation;
 - ii) Repeated failure to pay any sum due to the society
 - iii) Imprisonment for more than three months for a criminal offence
- b) An expelled member may be paid any sums legally due to him/her at the time, less any sums due to the society from him /her.

21. SHARES

Every share certificate shall specify the denoting number of the shares in respect of which it is issued and the amount paid thereon .

22. TRANSFER OF SHARES:

Shares may be transferred only between members of the society. No transfer shall be valid until registered by the Secretary.

A fee of Kshs. 2000 shall be paid by the transferee to the reserve fund or the Society for every such transfer.

23. LIEN:

The society shall have a first charge upon the shares or interest in the capital and deposits of a member or past member and upon any dividend bonus or accumulated funds payable to a member in respect of any debts from a member or past member

in or towards payment of any such debt , but such lien may not be considered as security when making a loan to a member.

24. NOTICE TO MEMBER:

For the purpose of enforcing any such lien , the management committee may sell the share subject thereto in such manner as it may think fit .but no sale shall be made until notice in writing of the intention to sell shall have been served on such member and default shall have been made by him in the payment , fulfillment or discharge of such debt , liabilities or engagement for fourteen days after such notice.

25. PROCEEDS OF SALE:

The net proceeds of any such sale after payment of costs such sale shall be applied in or towards satisfaction of the debts , liabilities or engagement of such member to the society and the residue shall be paid over to such member , his/her executors , administrators and assigns ,but in the event of the net sale proceeds proving insufficient , the liability to that extent shall continue .

26. RIGHT OF COMMITTEE

Upon any sale enforcing a lien in purported exercise of the powers here in before given, the management committee may appoint some person to execute any instrument of transfer of the shares sold and cause the purchasers name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the purchasers name has been entered into the register in respect of such shares. The validity of the sale shall not be impeached by any person.

27. MANAGEMENT COMMITTEE

- a) The management Committee shall be elected by and from the membership and shall consist of a minimum of five and not more than nine members. Its major functions shall be guiding, directing and making the society policies and supervise their implementation.
- b) The management committee of a co-operative Society shall be elected for a term of three years subject to one third or the number nearest to, retiring annually, except for the chairman and the vice-chairman who shall retire at the end of the third year. The retiring member shall however, be eligible for re-election.
- c) The Executive Committee shall include the Chairman, Vice Chairman, Treasurer and Honorary Secretary, all of who shall be elected from amongst the members of the Management Committee.
- d) The manager or his appointee shall be ex-officio member of the Management Committee and any committee of the society.
- e) The Management Committee may appoint Ad hoc committees to address specific issues and such committees shall be entitled to allowances at the ruling rates and as may be approved from time to time by the general meeting.

28. QUALIFICATION FOR MANAGEMENT COMMITTEE

The Co-operative society in accordance with it's by –Laws state.

No person shall be a member of Committee if he:-

- a. Is not a member of the co-operative society
- b. Is under eighteen years of age;
- c. Is unable to read and write
- d. Receives any remuneration, salary or other payment from the co-operative society save in accordance with the Act
- e. Is a committee member in two other co operatives societies
- f. Being a member of a co-operative society that lends money to its members lends money on his own accounts.
- g. Being a member of a co-operative which trades in good or produces, trades either on his own accounts or some other person's accounts in the same type of goods or produce.
- h. Has not, within thirty days of being appointed, declared his wealth to the commissioner in the prescribed manner and filed indemnity within 14 days of his / her election to the committee.
- i. Is a undischarged bankrupt?
- j. Is of unsound mind
- k. Has been adversely named by the commissioner in an inquiry report adopted by a general meeting for mismanagement or corrupt practices while a member of the committee,
- l. Has been convicted of any offence under this Act or rules made there under
- m. Has any un cleared debt owing to a co-operative society at the end of its financial year other than in respect of a loan under the provision of any rules made under this Act;
- n. Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act?

29. POWER TO BORROW

Loans may be obtained from members and non members subject to the maximum approved by the General meeting.

30. RECEIPTING OF MONEY

Money paid in or out on account of deposits of shares or any other money shall be evidenced by a receipt approved by the management committee.

31. CESSATION AS COMMITTEE MEMBER

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

- a) Ceases to be a member of the society
- b) Applies for insolvency or is declared insolvent
- c) Becomes of certified unsound mind.
- d) Is convicted of any criminal offence involving dishonesty or is imprisoned for three months or more.
- e) Holds any office or place of profit under the society
- f) Is removed from office at a General Meeting
- g) Absents himself or herself for more than three consecutive meetings without reasonable excuse.

32. MEETINGS OF COMMITTEE

- a) Meetings of the Management Committee shall be held regularly at least once each month and at any other times when necessary, the minimum of five members shall be a quorum provided that either the Chairman or the Secretary or the Treasurer shall be one of the quorum. Each member including the Chairman shall have one vote.

33. POWERS AND DUTIES OF THE COMMITTEE

The Committee shall exercise all the powers of the society except those reserved for the General Meeting subject to any regulations duly laid down by the Society in a General Meeting or in the By-laws; and the in particulars shall have the following powers and duties;-

- a) To observe in all their transactions the Act, Rules and the By-laws
- b) To maintain true and accurate accounts of all monies received and expended.
- c) To keep true account of the assets and liabilities of the society.
- d) To keep a Register of Members correct and up to date.
- e) To prepare and lay before the Annual General Meeting a profit and loss Account and the Balance Sheet duly audited.
- f) To examine the accounts sanction, contingent expenditure and supervise the maintenance of all books of accounts.
- g) To review each quarter:-
 - i. Obligation to creditors of the society
 - ii. Obligation by debtors of the society
 - iii. The position of all outstanding loans against or to the society.
- h) To co-opt members to fill, till the next election at a meeting, vacancies arising in the course of the year among members of the Management Committee including the Chairman, Secretary and the Treasurer.
- i) To summon meetings.
- j) To arrange for the examination and checking of all stock received by the society.
- k) To decide with the consent of the meeting the terms of purchase and sale of any goods or stock which the society may require for its members and to arrange for the safe custody of such assets while in stock.
- l) To assist the inspection of the books by any person authorized to see them.
- m) To appoint, suspend or dismiss employees, to fix their scales or salaries and to obtain security from them where necessary.
- n) Through any member or officer or officer or employee of the society or any person specially authorized to institute, conduct, defend compromise, refer to arbitration, or abandon legal proceedings by or against the society or committee or the officers or employees concerning the affairs of the society.
- o) When authorized by the general meeting to acquire on behalf of the society shares in other registered societies, and to appoint delegates to represent the society at such meetings or societies to which the society may be affiliated.
- p) With the consent of the general meeting to make, revoke and alter from time to time and all times enforce such regulations, terms and conditions relating to the tenants of the society and property of the sale thereof including the making and guaranteeing of advances to members as the committee may think fit.

- q) To contract for loans for the society up to such maximum as the general meeting may decide.
- r) To enter into contracts on behalf of the society. Such contracts shall bear on behalf of the society the signature of the chairman and of either the Honorary Secretary or treasurer of the society. Any contract so signed and/or executed shall, notwithstanding that if it be afterwards discovered that there was some defect in the appointment of any such chairman, secretary or treasurer of that they or any of them were disqualified, be valid and binding on the society and the members thereof as if every such person had been duly appointed and was qualified. Such an official shall thereafter be liable to the society.
- s) To arrange for the custody of books.
- t) Subject to the provisions of the Act to impose fines on the members.
- u) To draw up a set of working rules subject to the approval of the general meeting.
- v) To collect rents, repayments, installments and interest on loans from members, tenants and purchasers.
- w) Generally to carry on the business of the society. In conduct of the affairs of the society the committee shall exercise the prudence and diligence of ordinary men of business and shall be responsible for any loss sustained through acts contrary to the law, its rules and by-laws.
- x) Approve transfers of shares between members.

34. EXECUTIVE OFFICERS

The executive officer shall be appointed by and from among the members of the management committee.

35. CHAIRMAN AND VICE CHAIRMAN

- a) The Chairman shall preside at meetings of the Members, and at meetings of the Managing Committee. He shall perform such other duties as may be directed by the Management Committee, not inconsistent with the provisions of the Act, Rules and these By-laws.
- b) The Vice-Chairman shall perform the duties of the Chairman during his absence, and shall perform such other duties as he may be directed to by the Managing Committee.

36. SECRETARY:

The duties of the Secretary shall be:-

- a. To maintain correctly and up to date all books of accounts and records of the society.
- b. To prepare all receipts, vouchers and documents required by the rules of by-laws or required by the Committee.
- c. To sign on behalf of the society and conduct its correspondence.
- d. To summon and attend General Meetings and meetings of the Committee.
- e. To record the annual statement and annual Report and submit them to Committee.
- f. To certify copies of entries in books
- g. To keep the society seal securely under lock and key
- h. To attend to such other duties as the committee may assign to him
- i. To handle and account for such money as the Treasurer may authorize.

37. TREASURER

The Treasurer shall be fully responsible for the proper handling of and accounting for all money of the society and may be held personally responsible for any losses due to negligence, carelessness or failure to supervise the employees of the society. He shall be one of the two signatories of all cheques and shall be responsible for banking all the society's funds save such small sums as may from time to time be necessary for the current business of the society.

38. MINUTES:

All business discussed or decided at a meeting of the committee shall be recorded in a Minute Book which shall be signed by the Chairman of the subsequent meeting after confirmation, and any necessary amendments.

39. SEAL OF THE SOCIETY

The seal of the society may be water mark stamp bearing the words "YES Housing cooperative society Ltd" and shall not be affixed to any instruments except by the authority of a resolution

40. PENALTIES AND FINES

Any member who willfully acts in violation of these By-laws or regulations made there under shall be liable to a fine not exceeding Twenty Thousand Shillings (Kshs. 20,000/=) for each offence notwithstanding any other action that may be taken against him in accordance with the Act, Rules, these By-laws or any other law.

The Management Committee of the SOCIETY shall have powers to hear and determine matters relating to any alleged violation of By-laws by a member. Any member aggrieved by the decision of the Management Committee may appeal to the Annual General Meeting whose decision shall be final provided this provision should not prejudice a member's right to refer the matter to the tribunal, if the issue constitutes a dispute.

41. GENERAL MEETINGS

The Supreme Authority shall be vested in the General Meetings of the members which shall be held once annually or on such other occasions as may be deemed necessary in accordance with these By-laws. The Annual General Meeting shall be held every year within four months after the end of the financial year and on receipt of the audited accounts.

A special General Meeting of the society may be convened:-

- a. By the committee for the purpose of approving annual estimates or discussing any urgent matter which is in the committee opinion and of interest to the society.
- b. On receipt of a written notice for such meeting signed by two thirds (2/3) of the registered members in the current year and stating the objects and reasons for calling the meeting.
- c. If the committee fails to convene a meeting within fifteen days of receiving the notice under section 39(b), the members demanding the meeting may themselves convene the meeting by giving notice to the other members of the society stating the objects and the reasons for the meeting and the fact that the committee has failed to convene the meeting.

(a) Special General Meetings

- (i) A special general meeting of the society may be convened; -
 - (a) By the committee for the purpose of approving annual estimates or discussing any urgent matter which in the Committee's opinion is in the interest of the society; or
 - (b) On receipt of a written notice for meeting signed by one third of members stating the objects and reasons for calling the meeting;
 - (c) By the Commissioner at which he may direct the matters to be discussed in the meeting
- (ii) Such a special general meeting shall be held within 90 days (Three months) before the close of the financial year.
- (iii) Such a special general meeting shall be convened by giving at least fifteen days written notice to the members.

(b) Annual General Meeting

- (i) An Annual General Meeting shall be held within 120 days (Four months) after the close of the financial year.
- (ii) Such an annual general meeting shall be convened by giving at least fifteen days written notice to the members

42. NOTICE OF SPECIAL OR ANNUAL GENERAL MEETING

Except as noted above, at least fifteen clear days' notice shall be given in the case of an Annual General Meeting or a Special General Meeting. The Hon. Secretary shall take or cause to be taken all possible and usual steps, such as announcements at public meetings, posting a notice on the society Notice Board or an advertisement in the local newspaper or news-sheet, or any other media to inform all members of the date, venue and main business of the meeting. All written notices shall include a statement of the business to be dealt with.

- a) The notice for the Special General Meeting shall clearly specify all the issues to be discussed. The Special General Meeting shall deal exclusively with the issues for which it was convened.
- b) An Annual General Meeting or a Special General Meeting of members, convened solely for this purpose, shall have the exclusive power to amend the society By-laws.
- c) All meetings of members shall be conducted according to the procedures and rules of order approved by the Management Committee.

If the Committee fails to convene a meeting within fifteen days of receiving the notice under Sec. 27(6) (b), the members demanding the meeting may themselves convene the meeting by giving notice to the other members of the society, stating the objects and reasons for the meeting and the fact that the Committee has failed to convene the meeting.

43. QUORUM:

The presence of at least one quarter (1/4) of the registered members shall be necessary for the disposal of any business at such General Meeting and such number of members shall form a quorum.

When a quorum is not present the Chairman shall adjourn the meeting and shall fix a date within one month for the adjourned meeting, notice of which shall be given as prescribed by by-law 40. If at such a meeting a quorum is again not present the Chairman shall declare the meeting open and proceed with the business of the meeting with those present half an hour after the advertised time of the meeting.

44. BUSINESS OF GENERAL MEETING:

The following business shall be transacted in a General Meetings:-

- i) The election, suspension and removal of the managing committee including a chairman or vice chairman;
- ii) The confirmation or otherwise of the action of the committee in accepting, refusing or expelling member.
- iii) The consideration of the report of the committee;
- iv) The consideration of the Annual Statements of Accounts and Balance Sheet and of the Auditor's report and any inspection report of the commissioner.
- v) The disposal of the surplus in accordance with the Act, its rules and these by-laws;

- vi) The fixing, subject to the approval of the general meeting of the maximum liability to be incurred during the following year in loans or deposits from non-members;
- vii) The amendments of the by-laws;
- viii) Such other business, as may be relevant or necessary including rules for tenancies, conditions of loans and all matters relevant thereto.

45. VOTING:

Each member shall have one vote only irrespective of the number of shares held by him and no proxies shall be allowed.

46. MINUTES OF THE GENERAL MEETING

All business discussed decided at a General Meeting shall within one week be recorded by the Secretary in a Minute Book without erasures or alterations and signed by the Chairman of that meeting and one other committee member who was present at the meeting being in their opinion a correct record of the proceedings.

47. LOANS:

The society may make loans to members upon such securities and in such manner as the management committee may from time to time determine and upon such terms and conditions as to repayment, rate of interest and otherwise as may be decided by the managing committee from time to time.

48. FINANCIAL YEAR:

The financial year of the society shall be from the 1st day of Jan to 31st day of December.

49. ESTIMATES OF INCOME AND EXPENDITURE

Each financial year, the committee of the society shall prepare estimates of the society's income and expenditure including recurrent and capital estimates for the approval by the general meeting at least three (3) months before the end of the preceding financial year.

50. ACCOUNTS AND AUDIT

The society shall keep proper accounts which shall:-

- a. Be prepared in accordance with the international accounting standards,
- b. Reflect the true and fair state of the society's affairs
- c. Explain the society's transactions including
 - (i) All sums of money received and paid by the society and thereto.
 - (ii) All sales and purchases of goods and services by the society and
 - (iii) All assets and liabilities of the society.

The accounts of the society shall be audited and presented to the members within four months after expiry of the financial year.

Auditors shall be appointed and their duties regulated in accordance with the Act.

51. BUDGET

The Society at no one time operates without a budget approved by the general meeting at least three months before start of the financial year.

52. REGISTERS AND BOOKS OF ACCOUNTS

The following registers and papers shall be maintained:-

- a) A register of members showing the names, address and occupation of every member, the number of shares held by him, the date of his admission to membership and (if a minor) his age at that date, and the nominee appointed.
- b) A cashbook showing the receipt, expenditure and balance sheet on each day on which business is done.
- c) A ledger.
- d) A Minute book or books.
- e) A register of shares, stocks register and such other books as may be prescribed by the Act and rules.
- f) A register of other property of the society showing all stocks of consumable materials, whether held for sale or for the societies own use.

The books of accounts shall be kept at the registered office of the society or at such other place as may be determined by the society and shall at all times be available for inspection by members of the supervisory committee and the auditor.

53. BALANCE SHEET.

A copy of the balance sheet and profit and loss account duly signed by the auditor and his report attached thereto shall be open to inspection of the members at the office of the society at least fourteen days before the date fixed for the Annual general meeting.

54. PURCHASE OF LAND:

Subject to such resolutions as the General Meeting of members may from time to time pass, the Committee shall have full power to do all things which it deems necessary or expedient for the accomplishment of all the objects specified in by-law 3, including power to purchase, hold sell, exchange, mortgage, rent, lease, sub-lease, surrender and accept surrenders of land or buildings and to construct buildings.

55. AUTHORITY OF COMMITTEE:

It shall be competent for the Committee:-

- i. To buy land, leasehold or freehold, either from or through government or otherwise.
- ii. To render the lands so purchased fit for habitation
- iii. To lay down streets, roads and parcel out the land or house sites
- iv. To sell or lease otherwise deal with the sites to members such terms are they may determine and
- v. To provide and maintain facilities for water supply drainage, lighting and similar works of common utility.

56. COMMITTEE RESPONSIBILITY

In the exercise of these powers the committee shall act at all times as prudent men of business and shall exercise all due care to safeguard the society's property by insurance and its interests by good management and may be held responsible, individually and collectively, for losses due to negligence or failure to observe the Act, Rules and these By-laws and the directions of the General Meetings.

57. TENANTS

Tenants for the society building will be selected from the list of applicants by the committee having regard to date of applications for tenancy need for housing, financial position and other like matters.

58. INDEMNITY:

a) Every committee member shall pursuant to rule 29(1) file an indemnity, whose amount shall be determined by the General meeting and which shall be lodged with the commissioner for cooperative development within fourteen (14) days of the committees' election into office.

b) Any committee member who fails to comply with by-law 56(a) shall automatically cease to be a member of the committee.

59. NON-MEMBERS

No non-members of the society may acquire any house or land belonging to the society, unless authorized by the Annual General Meeting.

60. BUILDINGS:

No buildings may be erected on the society's land or with funds supplied in whole or in part from the society except to plans approved by the General Meeting.

61. LEVY:

When the committee arranges for the supply of water, lighting, drainage and other services then it may levy such fees as are necessary and payable by members for the provision of such facilities.

62. CONFIDENTIALITY - OATH

Officers, members of the committee and employees of the society shall hold in confidence all transactions of the society with its members, as well as information respecting each member's affairs, except to the extent deemed necessary by the committee in connection with the making and collection of loans, and the disbursements of the funds of deceased members.

63. PECUNIARY INTEREST:

No committee member, officer, agent or employee of the society shall in any manner, directly or indirectly participate in the deliberation upon or the determination of any question affecting the person's pecuniary interest or the pecuniary interest of any company, partnership or association in which the person is directly or indirectly interested. In the event of disqualification of any person respecting any matter presented to the committee for deliberation or determination, such a person or committee member shall withdraw from the deliberation or determination. The remaining qualified committee members present at the meeting may exercise all powers of the Committee, provided the number of committee members present at the meeting may exercise all powers of the Management committee, provided the number of committee members present, including the disqualified persons or committee constitute a quorum.

64. AUTHORIZATION TO SIGN DOCUMENTS

Unless decided otherwise by the General Meeting, all documents, contracts and cheques shall be signed on behalf of the society by Chairman, Treasurer, the Secretary and the Manager.

The Internal regulations shall detail which signatories are necessary for particular operations.

65. (a) DISPOSAL OF SURPLUS

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

- a) Not less than 20% shall be credited to the Statutory Reserve Fund
- b) The balance may be disposed of as the Annual General Meeting may decide: -
- c) Paying dividends on shares at a rate decided by the management committee subject to approval by the General Members.
- d) An amount not exceeding 10% of the remaining net balance may be paid to any charitable purpose
- e) Paying a gratuity or honoraria, bonuses, allowances and other commissions to officers of the society as determined by the Annual General Meeting.

b) RESERVE FUND:

The society shall maintain a statutory reserve fund which shall be invested in a manner provided under the cooperative rule no 38.

The reserve fund shall be credited with 20% of the net surplus of each financial year. It shall also be credited with all entrance fees except fees contributed to pay initial expenses within two (2) calendar years following the year in which the society was registered.

66. SUB-COMMITTEE:

By resolution at a General Meeting a committee may be appointed for the execution of such special as may be deemed desirable.

67. SUPERVISORY COMMITTEE:

There shall be a supervisory committee as per rule 28.

- a) The Supervisory Committee shall be elected by and from the general membership and shall consist of three (3) members. No member who seeks to be elected into Management Committee shall be eligible for election into the Supervisory Committee during the same meeting .
Members of the committee will be elected to a (3) year term, after which one member of shall retire annually.
- b) The Supervisory committee shall hold quarterly meetings with the Management Committee.

68. DUTIES OF SUPERVISORY COMMITTEE

i) The following are the powers and duties of the Supervisory Committee.

- a) Confirm cash regularly and reconcile it with the records
 - b) Check bank accounts monthly and their reconciliation
 - c) Make passbook or members personal accounts audits
 - d) Check delinquent loans among the Committee, staff and members and ensure appropriate action is taken.
 - e) Verify Society investments
 - f) Analyze expenses of the Society
 - g) Check loan applications and note anomalies
 - h) Check balance sheets and income and expenses statements to ensure their accuracy
 - i) Ensure the books of the society are kept in accordance with the internationally accepted accounting standards
 - j) Make regular review of budgets against actual performance
 - k) Attend to member's complaints
 - l) Prepare and present reports to the Management Committee, General Meeting and the Commissioner.
 - m) Assist the Management Committee in seeking solutions to problems facing the society.
 - n) Carry out other duties as prescribed in the Act and the Rules.
- (iii) The supervisory Committee shall not perform the duties or exercise the powers of the Management Committee of the Society.

69. LEGAL STANDARD OF CARE;

In spite of its total independence from the society management committee, the supervisory committee members shall be jointly liable with the managing committee for the non performance of duties, whether resulting from the lack of supervision or negligence in noting illegal or fraudulent acts.

70. LEGAL ACTION:

The society shall sue and be sued in the name of the society and all powers of attorney and other papers in connection therewith shall be signed by the officers of the society in accordance with by-law 31(18).

71. PROPERTY

Any immovable property acquired and held by the society shall be registered in the name of the society.

72. DISPUTES

All disputes which may arise with regard to the by-laws of the society or its affairs generally which cannot be amicably handled by the committee shall be referred to the Commissioner in accordance with the Act.

73. AMENDMENT OF BY-LAWS

Amendments to these By-laws may shall only be made by a resolution at a General Meeting of the society which resolution must be passed by the votes of a clear majority of the total members of the society.

74. AUTHENTICITY

No new by-laws or alteration or amendments of existing by-laws shall be valid until registered with the commissioner for which purpose a copy of the resolution making such alteration, amendment or additional shall be forwarded to him, together with a certificate signed by the officers of the Society that the requirement of these by-laws in respect of notice, quorum and majority have in all respect been fulfilled.

75. ACCEPTANCE

We the undersigned Executive officers of the Yes Housing Cooperative Society Limited named herein do hereby accept and adopt these By-laws for and on behalf of the society, together with any changes or alterations that have been initiated or signed by us.

	NAME	SIGNATURE	DATE
Chairman	<u>EDWARD OKOJI</u>	<u>[Signature]</u>	<u>06/05/2010</u>
V/chairman	<u>PAUL LANGAT</u>	<u>[Signature]</u>	<u>06/05/10</u>
Treasurer	<u>D.M. ICHIMBA</u>	<u>[Signature]</u>	<u>6/5/2010</u>
Secretary	<u>Linda Makokhe</u>	<u>[Signature]</u>	<u>6/05/2010</u>

Certified that the foregoing By-laws of the **Yes Housing Cooperative Society Limited** have been approved by me and duly registered.

GIVEN UNDER MY HAND AT NAIROBI THIS 17TH **DAY**
OF AUGUST 2010

F. F. ODHIAMBO
[Signature]
COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT