

THE SAVINGS AND CREDIT COOPERATIVE UNION LEAGUE OF TANZANIA (SCCULT 1992) LIMITED



DRAFT

BYLAWS

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1. BACKGROUND INFORMATION

1.1 INTRODUCTION

Tanzania, like other countries in East, Central and Southern African region has been implementing economic and political reforms guided by the much publicized structural adjustment programmes. The major components of the structural adjustments programmes include liberalization of trade, price, foreign exchange and interest rates regimes and also include privatization of public institutions. In brief, the reforms have paved the way for private investment as the mechanism for engine of growth for national development. However, of interest to SCCULT and the SACCOS movement in general is the liberalization and government services restructuring. The various new government policies particularly those relating to finances (e.g. Micro Finance Policy) call for response and formation of strategies for effective cooperative business based performance. SCCULT has witnessed the much rooming of financial NGO's and youth financial association and cooperative like institutions which are all potential for growth of the SACCOS movement both in rural and urban areas. Globalization aspect has brought on board various standards of best practice in micro finance, which is the core business of SACCOS.

These developments have necessitated the need for transforming the social oriented model SACCOs to the new business and economic oriented model SACCOS. Incidentally, SCCULT bylaws do not accommodate all recent changes of the economic reforms. To these, there is a clear need to review the SCCULT by laws in order to keep abreast with the global changes and the way of delivering micro finance products to our members.

1.2 VISION

Effective and Sustainable Cooperative Organization promoting financial inclusion in Tanzania.

1.3 MISSION

To empower and develop SACCOs through advocacy, financial and technical assistance

1.4 CORE VALUE

- Professionalism
- Integrity
- Responsive
- Team work
- Innovation
- Transparency

PART I

1. NAME AND ADDRESS:

- a. The name of this Union shall be THE SAVINGS AND CREDIT COOPERATIVE UNION LEAGUE OF TANZANIA (1992) LIMITED herein referred as (SCCULT 1992 Limited)
- b. Its registered address shall be P.O BOX 20640, DAR ES SALAAM, TANZANIA. The Head Office shall be situated at Tanzania Federation of Cooperatives Centre, TFC Building, Lumumba Street, Dar Es Salaam.
- c. Notice of any change of address shall be given to the Registrar of Cooperative and affiliated SACCOs within 30 days of such change
- d. The Association is a body corporate which can sue and can be sued in its name

2. AREA OF OPERATION

The area of operation shall be throughout Tanzania Mainland.

PART II

COMMENCEMENT, INTERPRETATION AND DEFINITIONS

1. Commencement

These Byelaws shall come into effect on the conclusion of the meeting of the members at which they are adopted and notwithstanding the provisions of **Part iii, Byelaw 2** the membership of SCCULT shall include the SACCOs listed in the schedule hereto.

2. Supply of Byelaws

A copy of these Byelaws, together with any amendments thereto shall be supplied free of charge to each affiliated SACCO by SCCULT.

3. Interpretation

a) SCCULT

Means Savings and Credit Cooperative Union League of Tanzania (1992) a

b) Member

Means a registered Savings and Credit Cooperative Society affiliated to the Savings and Credit Cooperative Union League of Tanzania (1992) Limited.

c) A Savings and Credit Cooperative Society

Means a Savings and Credit Cooperative Society registered under the Cooperative Societies Act No. 20 of 2003.

d) Act

Means the Cooperative Societies Act. No. 20 of 2003.

e) Rules

Means the Cooperative Societies Rules, 2004.

f) The Registrar

Means the Registrar of Cooperatives Societies as defined in the Cooperative Societies Act No. 20 of 2003.

- g) Region
Means an area falling under the jurisdiction of one region of Tanzania mainland or as may be proposed by the board and approved by the general meeting of the SCCULT from time to time.
- h) Regional Committee/Representatives
Means delegates elected from the Regional Meeting representing the region at SCCULT General Meetings.
- i. Delegate:
Means elected member representing a Savings and Credit Cooperative Society in the region or the Union meetings
- j. Board
Means the governing body of SCCULT to whom the management of its affairs is entrusted.
- k. General Meeting
Means the supreme Body of the SCCULT (1992) Limited where all powers are vested.
- l. SACCOS
Means a Savings and Credit Cooperative Society, registered under the Cooperative Societies Act No. 20 of 2003 whose principal objects are to encourage thrift among its members and to create a source of credit to its members at a fair and reasonable rate of interest.
- m. TFC
Means Tanzania Federation of Cooperatives to which SCCULT may become a member.

PART III

OBJECTIVES AND FUNCTIONS

1. General Objective

The general objective of SCCULT is to promote the business of micro savings and micro credit amongst its SACCOS membership.

2. Specific Objectives

The specific objectives of the Union shall be:-

- a) To promote and encourage thriftiness among SACCO members by providing them the necessary education and opportunities for improvement of their economic and social conditions;
- b) To foster and promote organization growth and development of SACCOS which are capable of promoting the economic interests and general welfare of their members in accordance with co-operative principles;
- c) To co-operate and collaborate with all other co-operative organizations within and outside the United Republic of Tanzania towards the furtherance of SACCOS goals;
- d) To develop and maintain the best possible public relations with the general public, the Government of Tanzania, Non-governmental Organizations, development partners, the

private business sector, trade unions, voluntary organizations, national and international co-operative organizations;

- e) To promote a common code of ethics and practice among members based on co-operative principles and Cooperative societies Act.

3. Functions

In order to achieve these objectives SCCULT will undertake the following functions:-

- (a) To promote growth and development of SACCOS through provision of relevant training, skills and information;
- (b) To coordinate SACCOS operating methods and practices to ensure uniformity and standardization in book keeping, accounting, reporting and other related areas;
- (c) To establish and manage an inter lending facility for members;
- (d) To arrange for a system to protect SACCOS funds against contemplated loss including the introduction of risk management and insurance services;
- (e) To provide advocacy, advice and protect members against adverse barriers/conditions;
- (f) To represent members in relevant local and international for a;
- (g) To advise member Societies on the available investment opportunities and where necessary to assist them acquire external capital for investment/operations;
- (h) To perform any other necessary functions for the successful fulfillment of the objectives of SCCULT and its members.

For attainment of the above objects and functions, SCCULT (1992) Ltd may do other acts and things that are permissible under the Act, the Rules and these Bylaws provided that such acts or things are passed by the members at the Annual General Meeting and approved by the Registrar of Cooperative Societies.

PART IV

MEMBERSHIP, RIGHTS AND OBLIGATIONS

1. Membership of SCCULT

The membership of SCCULT shall consist of SACCOS which initially joined in the application for registration of SCCULT and any other Savings and Credit Cooperative Societies (SACCOS) admitted in accordance with the provisions of these by-laws.

2. Requirement for Membership

- a) A registered SACCOS desiring to become a member of SCCULT shall submit an application to the Board together with a certified copy of the resolutions passed at a General Meeting of the SACCOS, authorizing the application for SCCULT membership. Upon receipt of application for membership application, the SCCULT board shall review it and make its recommendation for approval/disapproval to the SCCULT General Meeting.

- b) All applications to membership shall finally be considered and approved or disapproved by the General Meeting.
- c) Upon being admitted, each member shall be required to buy at least two shares and pay affiliation fees and other contribution as required by these by-laws.
- d) The applicant SACCO must agree in writing to the following:
 - I. To abide by the Byelaws of SCCULT and ALL its majority decisions
 - II. To allow their books/records to be inspected by the representatives of SCCULT to ensure that the SACCOs operating procedures are in accordance with the Associations laid down rules and regulations
 - III. To cooperate with SCCULT in fulfilment of the Association's objectives
 - IV. Patronise SCCULT's products and services

3. Application for Membership

- a) Each application for membership shall be in writing in the form prescribed from time to time by the Board and shall be accompanied by all relevant documents as mentioned in **PART III byelaw 2** and shall be signed by the Chairperson and Secretary of the applicant SACCO.
- b) Upon receipt of the application the Board of Directors will institute survey to determine whether SACCO fulfills the requirement for membership
- c) The Board of Directors shall decide by 2/3 majority vote of members present and voting at a meeting on whether to recommend of approval to General meeting or not
- d) Affiliation shall not become effective unless the prescribed share capital and other fees are fully paid.
- e) The Board of Directors may give a SACCO a provisional affiliation certificate of 3 months provided such a SACCO is unable to meet all the requirements. The provisional affiliation certificate becomes null and void provided the SACCO is unable to meet the requirements of affiliation within the 3 months.
- f) When affiliation of a member becomes effective, SACCO shall be issued with a certificate by SCCULT.
- g) An applicant whose application has been refused by the Board of Directors of SCCULT shall have the right to appeal to the Annual General Meeting of SCCULT whose decision shall be final

4. Byelaws of Members

- a) Each member of the SCCULT shall have as its registered Byelaws the model Byelaws approved by the SCCULT for its members or amended to such an extent as shall be approved by the Board of Directors of the SCCULT. The SACCO Operating Principles shall be embodied in any such model Byelaws.
- b) A copy of any notice of amendment of any of its Byelaws by a member shall be sent to SCCULT at the same time as such notice is given to its members, and a copy of its Byelaws and all amendments thereto shall be sent to SCCULT immediately after acknowledgement of registration **by the Registrar of Cooperatives** has been received.
- c) Notwithstanding anything in **PART III byelaw 2 sub section2)** of this rule, during the period of time between the amendment of a Byelaw by a member and the consideration thereof by the

Board of Directors, the member shall not be deemed to have ceased membership of the SCCUL solely by virtue of his membership.

- d) For the improvement of the conduct of its business and for the further education of its membership each member shall abide by the Byelaws of SCCULT as laid down from time to time for its members and **shall make such amendments** in its Byelaws as will allow inspection by SCCULT's appointees as may be laid by the Board.

5. Admission of members

An applicant shall be admitted to membership only when:

- (a) It is determined that it is eligible for membership in accordance with **PART III byelaws 1, 2 and 4.**
- (b) It has submitted a copy of its registered Byelaws;
- (c) When it has paid in full all the required fees; and
- (d) Its application has been approved by the affirmative vote of 2/3 majority of the Board of Directors.

6. Members privileges and Responsibilities

Members shall have:

- a) The privilege to be represented at the General Meeting and be elected members of the Board of Directors of SCCULT as prescribed in the Byelaws.
- b) The right to vote in the General Meeting of SCCULT provided no member shall be permitted by proxy receive notice of the General meeting and the right to attend and take active part in the proceedings.
- c) Inspect the membership register, Books of Accounts and/or any other record and obtain certified copies of the resolutions/documents on a payment of a fee as may be prescribe by SCCULT from time to time

7. Cessation of Membership

1. A SACCO shall cease to be a member of the SCCULT from the date:

- (a) It voluntarily withdraws from SCCULT upon given not less than '90 days' notice and after payment of all dues, levies and insurance premiums for which it is liable; or
- (b) On cancellation of its registration by the regulatory authority
- (c) It being expelled from SCCULT
- (d) The dissolution of the SCCULT.

2. Upon cessation of membership the member SACCO shall be paid the following amounts after deduction of any debts to SCCULT:

- (a) Nominal or Book Value of its shares, whichever is less provided that the Board of Directors is given 90 days written notice for intention to withdraw
- (b) Any dividend or interest due on the date the membership ceased
- (c) Any deposit or other sums held by SCCULT on behalf of the member SACCO.

- (d) The cessation of membership shall not relieve the former member from any liability to SCCULT then existing under these byelaws or as may be determined by the Board or by the Chief Executive officer

SCCULT reserves the right to publish the cessation of the membership of a SACCO.

8. Re-Admission Membership

An Ex-affiliated SACCO may be readmitted in accordance with Part III Byelaw 5 under such terms and conditions the Board of Directors may determine.

9. Register of Members

1. SCCULT shall keep at its principal office, a written register of members in which shall be recorded:
 - (a) The names and registered offices of its members
 - (b) The date on which each SACCO was admitted to membership and
 - (c) The date on which any SACCO ceased to be a member.
2. Entry on the register of members shall be conclusive evidence of membership of the SCCULT
3. The register of members shall be open to the inspection of any representative of any member during office hours.

PART V

MEETINGS OF MEMBERS

1. Annual General Meeting

The Annual General Meeting is the members' forum. The purpose of the AGM is for the Board of Directors to account for its management of SCCULT. Arrangements must be put in place to ensure the timely convening of the AGM, an adequate agenda, democratic elections to all vacancies and amendments to byelaws.

2. Power of Members at General Meeting

- a) The ultimate power of SCCULT is vested in the members which exercise their power through delegates voting at Annual General and Special Meetings.
- b) The AGM shall have the right to review any decision of the Board of Directors and other committee except that valid contracts shall not be modified or rescinded
- c) Where an approval of the authority is needed, the decision of the General Meeting can only become effective when it is approval is granted.

3. Functions of the Annual General Meeting

The Annual General Meeting shall be convened to consider the following;

- a) The audited accounts and financial statement.
- b) Reports on past and future activities of the Board, its Committees, auditor and members of the standing Committees and agencies.
- c) The election of Directors and any other business as may be deemed proper.

- d) Approval for appointment of auditors,
- e) Consideration and approval of resolutions including the amendment of Byelaws
- f) Any other matter laid before it by the Board of Directors

4. Notice of Meeting

- a) The AGM shall be held not later than the last day of April in each year at such date, time and place as may be reasonable in Tanzania as may be determined by the Board of Directors
- b) The Secretary to the Board shall give not less than 21 days and not more than 70 days' notice of the Annual General Meeting to each member at its last notified registered office and to the auditor. Such notice shall be in writing and shall specify the date, time and place of the meeting.
- c) When notice has been posted generally to the members, the inadvertent omission to give notice to any member or of the non-receipt of the notice by any member shall not invalidate any resolution passed or any proceedings taken at the meeting.

5. Order of Business of the General Meeting

Except decided by a majority vote of those present at the General Meeting, the order of business shall be as follows:

- a) Registration and determination of the quorum
- b) Reading the notice of convening the meeting
- c) Review and adoption of the agenda
- d) Statement from invited guests if any (Opening Ceremony)
- e) Confirming the minutes of the previous meeting and matters arising
- f) Chairman's reports
- g) Treasurers Report
- h) Reports from other committees if any
- i) Discussion and adopts of reports
- j) Consideration of resolution
- k) Elections if any
- l) Vote of Thanks

6. Quorum

- a) The quorum for an Annual General Meeting shall be 50% of the affiliated members or a simple majority of the members
- b) If, during an Annual General Meeting it is brought to the notice of the Chairperson that a quorum is no longer present, the meeting shall stand adjourned for 60 minutes or until a quorum is present, whichever is the sooner, and if no quorum is present at the end of the period of 60 minutes the Chairperson shall declare the meeting adjourned. Such adjournment shall not invalidate any decision taken prior to such adjournment.

7. Chairperson

- a) The Chairperson **elected/selected** by the general meeting in accordance with the cooperatives act shall preside at every Annual General Meeting, of their members to chair the entire meeting.
- b) The Chairperson may, with the consent of any Annual General Meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place as may be reasonable but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- c) The Chairperson shall have no vote in respect of any proposition before the AGM in which case he shall have voting rights according to this Byelaws. However, in the event of a tie in votes he shall have a casting vote.

8. Member Participation

- a) **Subject to part (II) of this byelaw, each affiliated SACCO may appoint from its membership not more than two delegates of not below eighteen years to act on its behalf at each Annual General Meeting. No Director, Supervisor or Employee of the SCCULT may act as a delegate of any SACCO of which he is a member.** The Number of delegates shall be propositional the number of SCCULT member SACCOs in the region
- b) Only the members who have paid the annual dues/affiliation fees for which they are liable and have made such returns as are laid down in **P..... Byelaw 10** and as may be decided upon from time to time by the members in the Annual General Meeting, shall be entitled to be admitted to and vote at any Annual General Meeting.
- c) Only Affiliated SACCOs present may vote and each affiliated SACCO shall **have two votes** on each question, including elections, at an Annual General Meeting.

9. Motions

- a) The Board of Directors and member SACCOs may put forward motions for consideration at the Annual General Meeting.
- b) Motions put forward shall be authenticated by an extract from the minutes of the meeting of the Board of Directors of SCCULT or of the member SACCO or of the committee at which the decision to put forward the motion was taken. Such extract from the minutes shall be signed by the Chairperson and General Manager or in the case of a committee by the Chairperson and Secretary of the committee
- c) Motions put forward by member SACCOs should be seconded by another member SACCO before it can be discussed.
- d) Every motion shall be voted for and adopted by a simple majority

10. Adoption of Report

The adoption of a report at the Annual General Meeting shall not have the binding effect of a resolution passed at an Annual General Meeting.

11. Approval of Reports

No report supposing to come from the Board of Directors, its Committees, Sub-Committees or agencies shall be placed before a general meeting unless it shall have had the prior consideration of the Board and the approval of at least a majority of the members of the present at the properly constituted Board meeting at which it was considered.

12. Special General Meeting

- a) A Special General Meeting may be called by the Board of Directors and shall be called on request in writing addressed to the **Secretary** to the Board of Directors not fewer than **....** of the members.
- b) If the **Secretary to the Board** does not call a Special General Meeting within 21 days of the receipt of notice for a Special General Meeting, the representatives of any **....** member SACCOs acting on behalf of those members who requested for the meeting may call a Special General Meeting at the expense of SCCULT.
- c) The notice of any Special General Meeting shall contain a statement of the purpose of the meeting and only the business specified in the notice may be dealt with at any Special General Meeting.
- d) Section 8 Byelaws 6, 7, 8 and 9 shall apply to a special general meeting in like manner as to an Annual General Meeting

13. Unavailability of Directors

If at any time there is not available in Tanzania a sufficient number of Directors to form a quorum, a simple majority of the Board may call a Special General Meeting if it appears to them to be necessary to do so.

14. Application of other Provisions

- a) The provisions of these Byelaws regarding notice, quorum, voting and conduct of business and any other matter set out for an Annual General Meeting shall apply to a special general meeting.
- b) Notwithstanding anything contained in these **Byelaws** all affiliate members shall at all times have a strict equality of voting powers and such votes shall be of equal value relative to each and every other affiliate member's votes.

PART VI

Board of Directors

1. Board of Directors

- a) The Board of Directors shall consist of at least eleven (5) persons and not more than 9, at least 1/3 of whom shall be females. Regular terms of office for Directors shall be for two terms of three years. Retirement of the Board of Directors shall be based on the time on which a member was first elected to the office of the SCCULT Board but shall exclude any period of time in office served by virtue of being co-opted to fill in a casual vacancy.
- b) A retired Director shall be eligible for re-election after 3 year from the date in which he or she retired from the SCCULT Board.
- c) The key office bearers shall be Chairperson, Vice Chairperson, Secretary and Treasurer and shall serve in such capacities for a minimum period of one (1) year and a maximum period of Four (3) years during the period in which they serve as Board members of SCCULT for the two terms. The Chairperson of SCCULD shall be elected by the General meeting
- d) As soon as practicable after every Annual General Meeting and not later than 14 days thereafter, the Board of Directors shall meet and elect from its number a **Vice Chairperson Treasurer and Secretary** in that order.
- e) The Board of Directors can co-opt into the Board persons whose knowledge and experience will be useful to the association. Co-opted members shall not be office bearers but shall have voting rights during meetings.
- f) The Board of Directors may appoint such committees, sub-committees or other bodies as it deems fit from time to time to carry out such functions as may be delegated to them by the Board. The organisation and structure of such committees, or other bodies shall be so drawn as not to usurp, defeat or supersede any of the authority of the Board.

2. Functions

- a. Subject to the decisions of the members in general meetings, the Board of Directors shall have the general control, direction and management of the SCCULT and shall determine the policies to be pursued in the attainment of the objects for which SCCULT is formed notwithstanding anything in Section 9, Byelaw 8. The Board of Directors may delegate such executive functions to the Chief Executive Office as it sees fit and shall establish such reporting arrangements, as it deems necessary.
- b. The Board of Directors shall have the power by a vote of 2/3 of their number present and voting to suspend from office any Board member for serious misconduct such as dishonesty, corruption or misdemeanour.
- c. A Board member suspended under paragraph (b) above shall only be expelled by 2/3 majority decision of members present and voting at a General Meeting convened for that purpose.

3. Qualification of a Director

- a. No person shall be eligible for membership of the SCCULT Board if:
- b. He is not a delegate
- c. He is under 18 years of Age
- d. He is not a Board member of a SACCO in good standing

- a. He is not a member of a SACCO for at least 3 years prior to his nomination
- b. He is not able to read, write and speak English
- c. He is involved in a business of money lending or carrying activities which are detrimental to the SACCO movement and objective
- d. He is an employee of SCCULT or A SACCO in any capacity.
- e. He is not competent in reading and understanding financial statements and do not want to commit to developing such competence within the first year of his membership of the Board
- f. He has a delinquent loan at his/her SACCO.

4. Duties of the Board

- a. In addition to the functions referred to in **Part IV Section 2**, the Board of Directors shall:
- b. Direct the affairs of the SCCULT.
- c. Perform or authorise actions consistent with the act, the rules and these Byelaws
- d. Ensure that correct and accurate records of all assets and Liabilities of the Association are maintained.
- e. Approve and lay before any AGM Audited accounts.
- f. Hire and dismiss the Chief Executive officer of the Association in line with the policies
- g. Authorise affiliation with any local, national or international cooperative organisations having similar or related objectives and designate representative to attend meetings of such organisation
- h. Appoint Sub-committees from the Board of Directors or from amongst the SACCO members to carry out specific or standing function
- i. Subject to ratification of the AGM, suspend or expel a delegate or a Board member who acts in contravention of this Byelaws
- j. Sanctioning major contracts and agreements

5. Meetings

The Board of Directors shall meet not fewer than four times each year. The meetings shall be summoned in such manner and shall be held at such date, time and place as may be determined from time to time by the Board.

6. Quorum

- a) Two thirds of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.
- b) Subject to Section 7 Byelaw 6 each Director shall have one vote on any matter at a meeting of the Board of Directors.

7. Vacancy in the Board

A vacancy in the Board shall exist when one or all of the following situations arise:

- a. Death of a Board member.
- b. Being declared mentally incapacitated.
- c. Criminal conviction of a Board member.
- d. Is absent without due excuse accepted by the Board for **three** consecutive meetings of the Board.

8. Voluntary resignation

- a. Losing his SACCO membership
- b. Losing his Board position at the SACCO level
- c. Board members SACCO is disaffiliated from SCCULT
- d. Board member engaging in active politics
- e. Is removed from office in accordance with this Bylaw

9. Removal of Directors

A director may be removed from office in accordance with the preceding Byelaw by the affirmative decision of not less than two thirds of the members of the Board present and voting at a meeting specially called for this purpose at which the matter is discussed provided that no Director shall be removed from office unless he has been given notice not less than fourteen days and opportunity to be represented and heard. Notice of such removal shall be given to him signed by the Chairperson on behalf of the Board

10. Casual Vacancies

- a. A casual vacancy occurring in the Board of Directors shall be filled by a majority decision of the Directors present and voting at a duly convened meeting. A person so elected shall hold office only until the conclusion of the next Annual General Meeting. The Board shall conduct the election in accordance with the Byelaws prescribed herein.
- b. No director may propose or second more than one candidate.

PART VII

OFFICERS OF THE SCCULT BOARD, COMMITTEES AND SUB-COMMITTEES

1. Election of Officers

Subject to the following *byelaws*, as soon as practicable after the Annual General Meeting and not later than 14 days thereafter, the Board of Directors shall meet and elect from its number a ***Vice Chairperson Treasurer and Secretary*** in that order. For the election of officers the members of the Board shall act as tellers and it shall be conducted in a manner as prescribed in these byelaws. The person receiving an absolute majority of the votes cast shall be deemed to be elected.

In the event of the first ballot being inconclusive further ballots shall be taken as required until one person is deemed to be elected.

The Chairperson of the Board shall be elected by the delegates during the Annual General Meeting

2. Chairperson

The Chairperson ***shall hold office subject to PART V***, Byelaw 3 and PART VI Byelaw 7 for a ***minimum period of one year and maximum period of 3 years*** unless his/her term of office as Director expires sooner. ***In such an event and if he is subsequently re-elected as a Director he shall not continue to hold the office of Chairperson unless where otherwise re-elected by the Board.*** On completion of ***3 years*** in office, the Chairperson shall not be eligible to hold the office

of Vice-Chairperson, Secretary or Treasurer until at least one year shall have elapsed since he held office as Chairperson.

2.1 Duties of Chairperson

The Chairperson, or in his absence the Vice-Chairperson, shall ***preside over all*** meetings of the Board of Directors and **the Executive except** the Annual or Special General Meeting and shall perform such other duties as customarily appertain to the office of Chairperson or as he/she may be directed to perform by the Board of Directors not inconsistent with the provisions of these ***byelaws***.

He/she shall, as ex officio, be a member of all Committees and sub-committees of the Board of Directors but shall not be Chairperson of any such committee or sub-committee other than of the Executive Committee. The Chairperson shall not be entitled to vote in any committee or sub-committee of whom he is an ex officio member.

3. Vice Chairperson

The Vice-Chairperson shall perform the duties of the Chairperson in the absence of the Chairperson or in the event of his being unavailable to fulfil the duties of his office. He/she shall Chair the Lobby and Lobby Advocacy Committee

4. Treasurer

The Treasurer shall cause to be kept proper books of accounts relating to:

- a) All receipts and expenditure of the SCCULT and the matters in respect of which the receipt and expenditure takes place;
- b) The assets and liabilities of the SCCULT

Proper books of accounts shall not be deemed to have been kept if there are not kept such books of accounts as are necessary to give a true and fair view of the SCCULT's affairs and to explain its transactions.

The Treasurer shall in collaboration with the Board, present the audited financial statements to the Annual General Meeting

5. Secretary

The Board shall appoint among its members a Secretary who in coordination with the Chief Executive Office of SCCULT shall keep or cause to be kept correct records of all regular and special meetings of the members and of the Board of Directors and such minutes shall be signed by the Secretary and attested by the Chairperson when approved by the Board.

6. Removal of Officers

The Vice-Chairperson, Treasurer or Secretary may be removed from office by the decision of not less than two-thirds of the members of the Board present and voting at a meeting of the Board provided that no such officer shall be removed from office unless he has been ***given fourteen days' notice*** and opportunity to be represented and heard.

The chairperson shall be removed in accordance with this Bylaw.

7. Executive Committee

The Executive Committee shall consist of the Chairperson, Vice-Chairperson, Treasurer, Secretary, Chief Executive Officer and one Board member. Three members including not less than any two of the Chairperson or Vice-Chairperson, Treasurer and a Board member shall form a quorum for any meeting of the Executive Committee.

7.1 Duties of Executive Committee

The Executive Committee shall carry out such duties as may be assigned to it by the Board of Directors, and in particular, shall deal with current issues as they arise between Board meetings.

The Executive Committee shall operate within Board policies, and shall not have power to determine policy or reverse a decision already taken by the Board. The Executive Committee may call a special meeting of the Board of Directors

8. Other Committees

The Association shall have the following statutory committee whose members shall be determined and appointed by the Board of Directors. Each shall have a sitting SCCULT Board member as Chairman

1. Human Resource Committee
2. Central Finance Facility/Fund Committee
3. Finance and Audit Committee
4. Training and Advocacy Committee

8.1. Human Resource Committee

Human resource and Administrative Committee shall comprise of a minimum of three and a maximum of five (5) members including the chairperson who be the Secretary to the SCCULT Board

Roles and Responsibilities

- (i) To manage affairs of the working staff
- (ii) To propose for human resource development program.
- (iii) To review scheme of service and human resource policy.
- (iv) To prepare succession plan.
- (v) To settle disputes and complain from staff, management and board members.

8. 2. CFF Committee

Meetings of the CFF Committee

The meetings of the CFF committee shall be held on a quarterly basis. The committee shall consist of not more than seven members

Roles and Responsibilities of the CFF Committee

- a) Setting and reviewing of appropriate interest rates on deposits and loans

- b) Appropriation of payment of interest on members deposits
- c) Recruitment of staff of the CFF and appointment shall be done by the SCCULT Board
- d) Review CFF instruments and recommend to the Board for approval
- e) Work with the Officer in charge of the CFF to develop and market the CFF products and services
- f) Monitor compliance issues and report these to the Board accordingly.
- g) Supervise overall operations of the CFF, including establishing a lending policy, an investment policy, a liquidity policy, an asset and liability management policy, and other policies designed to ensure the safe and sound operation of the CFF.
- h) To approve external borrowing up to a maximum of five percent (5%) of total assets after the final approval of the Board of Directors of SCCULT in all cases.
- i) Report to the SCCULT Board on a quarterly basis.
- j) Under special circumstances, the SCCULT Board may authorise the Committee to enter into short-term external borrowings of 90 days duration or less in excess of the five percent (5%) of assets maximum when doing so is necessary to maintain the CFF's liquidity position during periods of economic stress.

8.3. Finance and Audit Committee

Finance and Audit Committee shall be composed of a minimum of three (3) and a maximum of five (5) members including the chairman who shall be the Treasurer of the SCCULT Board.

Roles and Responsibilities

- I. Evaluation of performance in managing the SCCULT financial and other resources and suggesting remedial measures
- II. Overseeing and coordinating the Internal audit functions of the Association
- III. Improving the quality of financial reporting
- IV. Improving communication with external auditors
- V. Ensuring independence of external auditors
- VI. Assess any changing events in and outside and how it may affect the estimated performance of the association if no action is taken
- VII. Enhancing the contribution of non-executive Directors
- VIII. Reviewing of Financial statements and policie

8.4. Training and Advocacy Committee

Training and Advocacy Committee shall consist of a minimum of three (3) and a Maximum of Five (5) members including the chairperson who shall be the Vice Chair of the SCCULT Board

Roles and Responsibilities

- i. Periodically conduct training needs assessments.
- ii. Prepare annual training program.
- iii. Sensitize SACCOS on the use of SCCULT products.
- iv. Collect and analyze member's problems and propose best ways of solving them.
- v. Conduct evaluation on the training offered to assess effectiveness.

9. Chief Executive Officer

The Board of Directors shall appoint a full-time administrator who shall be the Chief Executive Officer of the SCCULT for such period and on such terms and conditions as to remuneration and otherwise as it thinks fit and any such CEO so appointed may be removed by the Board in accordance with the SCULT Service rules.

Subject to any directives by the Board of Directors and the Annual General Meeting, he/she shall:

- i. When required be Secretary to the Annual General Meeting, the Board of Directors, the **Executive Committee** *and all other sub committees. He shall have the right to* speak and be heard at any Board meeting or meeting of the Executive Committee or any other subcommittee but shall not be entitled to vote on any question at any such meetings
- ii. In consultation with the Chairman, give due notice of meetings, prepare agenda and convey meetings
- iii. Submit to the Board of Directors quarterly financial statements and Management report
- iv. Conduct the correspondence on behalf of the SCCULT
- v. Executes the policies/programme and business of the SCCULT and take such action as is necessary to give effect to the resolutions of the General Body, Board of Directors or any other committee constituted under this Byelaws
- vi. Supervise and coordinate the activities of the staff of the association to achieve the goals and objectives within the policies and general directives approved by the Board of Directors and/or the Executive Committee
- vii. Appoint and dismiss, senior staff with the approval of the Board of Directors
- viii. Be empowered to appoint and dismiss junior staff and report to the Board of Director
- ix. To act on behalf of the Treasurer of the association and as far as delegated to receive and pay out money and keep cash in hand, deposit and withdraw money from Banks or other financial institution, invest and borrow funds
- x. Sign checks, notes, other obligations of the SCCULT
- xi. To keep accounts and records and have charge of documents, payment vouchers and receipts of the association
- xii. Carry out such other duties that may be lawfully assigned from time to time, general meeting, Board, Committees and by officers acting within their proper fields of responsibilities
- xiii. Where necessary, advice the Board in the performance of its duties

10. Administration

- a) The CEO shall be responsible for the day to day administration of the SCCULT and such other matters as may be referred to him/her from time to time by the Board or Chairperson subject to these Byelaws.
- b) The CEO shall report to the Board of Directors in such manner as may be pre-determined from time to time by the Board regarding the performance of management functions duly delegated to him by the Board of Directors.

11. Appointment of employees

The Board of Directors shall, under such conditions as it may determine, authorise the CEO to employ and remove subordinate employees of the SCCULT provided that he/she shall report any such appointment or removal to the Board of Directors. Any such removal or appoint shall be done in accordance with the SCCULT rules.

12. Sub-committees

- a) Every such committee, sub-committee or other body shall elect from its members a Chairperson and Secretary provided that no person shall be Chairperson of more than one such committee. Every such committee, sub-committee or other body shall report to the Board as may be required by the Board.
- b) A majority of the members of a committee shall constitute a quorum for the transaction of business at a meeting of the committee.

PART VIII

FINANCIAL MATTERS

1. Funds and Revenue of SCCULT

The funds and revenue of SCCULT shall consist of:-

a. Funds:

- i. Annual Dues ;
- ii. Affiliation fees
- iii. Grants and donations;
- iv. Interest on loans granted to members;
- v. Interest on Trust Funds;
- vi. Investment returns;
- vii. Audit fees;
- viii. Consultancy and Training fees;
- ix. Administration fees;
- x. Sundry income

b. Shareholding in SCCULT

- I. All affiliate SACCOs are sole shareholders in SCCULT and each SACCO shall hold a minimum of two shares whose nominal value shall be fixed by the Annual General Meeting from time to time.
- II. Shares shall be issued only to members and shall not be transferred from one member to another except with the written permission of the Board of Directors of SCCULT.
- III. Shares are not withdrawable
- IV. The liability of each SACCO shall be limited to the book value of the share capital subscribed by it.

c. SCCULT Dues

Members of SCCULT shall pay annual membership dues based on a formula to be determined by the Annual General Meeting from time to time.

SCCULT Dues shall be payable within six (6) months after the end of the financial year. A penalty of 5 % of Dues payable shall be levied on SACCOs that shall pay dues after the six months.

A SACCO that has not paid its current dues shall not participate in the Annual General Meeting.

d. Liability on Members

A member or former member shall be liable for any dues or levies in respect of the year in which it ceased membership of the SCCULT or in the year in which the SCCULT shall be dissolved.

e. Investments

SCCULT shall establish and operate the Central Finance Facility (CFF) for inter-lending among members and to receive funds from SACCOs.

The Board may establish a committee as it deems necessary to advice on the CFF to open up other profitable investment avenues to maximise returns.

Subject to part (2) and to any resolution of a meeting of the members and accepted public policy the Board of Directors may cause to be invested, or change any investment, any part of the funds of the SCCULT at its discretion. Investments outside the range permitted to members shall require the Board to consult with recognised experts in that field of investment and to seek approval at a general members meeting.

Should any committee, sub-committee or other body or agency set up by the members or by the Board be required by law or by prudent practice to make investment or provisions of a particular nature the Annual General Meeting and Board shall so authorise generally or particularly.

f. Governance Costs

All costs related to Directors' meetings, Board training and AGM shall be met from SCCULT funds.

g. Financial Year

The financial year of SCCULT shall commence on 1st January and end on 31st December of each year.

h. SCCULT Audits and Financial Year

- I. The SCCULT financial year shall be January to December.

- II. The Board of Directors shall cause to be made at least one complete audit each year by a qualified auditor within 90 days after year end.
- III. The Board of Directors shall submit to the Annual General Meeting an audited financial report on the previous year's operations.
- IV. The Board of Directors shall afford the external auditors access at all times to all monies, books, accounts, minutes, papers and securities of SCCULT, and every officer of SCCULT shall furnish such information in regard to the transactions and operations of SCCULT as the external auditor may require.
- V. The management of SCCULT shall, in consultation with the SCCULT Board, recommend to the Annual General Meeting, the appointment of External Auditors for the ensuing year.

i. Authorization to Sign Documents

The Chairman, **the Treasurer, the Chief Executive Officer and a member of the Board** shall sign all Contracts/Legal documents and cheques of SCCULT on behalf of SCCULT.

j. Disposal of Surplus

Subject to the to **the Cooperative Societies Act and regulation**, the net gain or surplus resulting from the operations of SCCULT during any financial year shall be disposed of as follows:-

- I. A minimum of **25% of** the surplus shall be credited to the Statutory Reserve;
- II. Pay dividends on members share holdings
- III. Carried forward to a retained earning accounts
- IV. Not more **than 12.5 Percent** or such other amounts may be used to pay Honoraria to the employees or officers of the Board of Directors

PART IX

EXPULSION AND WITHDRAWAL

1. Expulsion

An affiliated SACCO may be expelled from the **SCCULT by a resolution of two third majority present** at a meeting of the Board of Directors for any grave and sufficient reason including wilful and/or persistent breach of, or refusal to comply with, any of these byelaws; provided that the member shall be given 90 days' notice of the meeting, of the charge against it and of the intention to expel it and shall be given an opportunity of being represented and heard at the meeting.

Any affiliated SACCO so expelled shall have the right of appeal to a single Arbitrator to be agreed between the Board of the Affiliated SACCO and the Board of the SCCULT. In default of such agreement to such Arbitrator, within 40 days from the date of expulsion, either party may apply to the Registrar of Co-operatives to make such appointment or his decision on such appointment shall be final. Upon every or any such reference or appeal the Arbitrator shall have power to take the opinion of such counsel as he may think fit on any question of law that may arise and at his discretion to adopt any such opinion so taken and to obtain the assistance of any other expert as

he may think fit and to act upon any statement or expert assistance thus obtained provided always that;

- (1) The award of such arbitrator shall be final and conclusive,
- (2) The cost of such arbitrator shall follow such award,
- (3) The laws of arbitration shall apply

Such arbitrator shall issue his award with all reasonable despatch in any event not more than 40 days from the date of his appointment.

During the period of appeal and the hearing thereof the affiliated SACCO shall be entitled to all rights and benefits of membership.

2. Withdrawal

- a) Where an affiliated SACCO proposes to activate withdrawal from the SCCULT or take any action that would lead to its expulsion and where a motion to that effect has been tabled as an agenda item for a general meeting of its membership, that the SCCULT must be informed of the time and place of the general meeting and that the SCCULT will have the right to send a representative to the general meeting who will have the right to be heard at the debate.
- b) Subject to **PART IV, Byelaw 7** a member may withdraw from the SCCULT at any time by serving written notice of its withdrawal to the Chief Executive Officer provided such notice shall contain an extract from the minutes of the general meeting at which the resolution to this effect was passed and certified by the Chairperson and Secretary of the member SACCO.

PART X

AMENDMENT OF BYELAWS

1. Method of Amendment

- a) Subject to paragraph (b), these byelaws may be amended only by a resolution carried by not less than two-thirds of the votes given thereon at an Annual General Meeting or special general meeting called for the purpose provided that notice of the proposed amendment shall have been given to each member, **the Registrar of Cooperatives and** at the same time as the notice of the meeting is given.
- b) Any amendment of PART 1, Byelaw 3 shall not be effective until it shall have been confirmed by a simple majority decision of the next ensuing Annual General Meeting after it was passed provided that such Annual General Meeting is held not earlier than ten months after the original meeting.
- c) An amendment of the registered Byelaws of the SACCO shall not be valid until the amendment has been registered under the Act, for which purpose two copies of the amendment, signed by four members, one of whom shall be the Secretary and another a director, shall be sent to the Registrar.

2. Proposals for Amendment

Subject to **Part V, Byelaw 9 (a)** any member or other body authorised by these Byelaws for the purpose may propose an amendment of the Byelaw by serving notice of the proposed amendment on the Board of Directors whose duty it shall be to incorporate the proposed amendment in the agenda for the soonest possible Annual General Meeting or special general meeting it may call for any purpose. Any such notice of proposed amendment shall be served by identifying the existing Byelaw or sub-section of Byelaws numerically or otherwise and quoting in full the proposed amended Byelaw or sub-section of Byelaw.

3. Amendments

- a) These By-laws may be amended only within the framework of the Co-operative Societies Act and the Rules and no amendment shall be valid until that amendment has been registered by the Registrar of Co-operative Societies under the Cooperative Societies Act.
- b) Subject to **Part 10, Byelaws (b) and (c)**, amendments of these Byelaws shall be considered at each Annual General Meeting, or Special General Meeting called for that purpose, provided however that a proposal to amend any of these Byelaws shall not be put forward earlier than the third Annual General Meeting after that at which the proposal may have been defeated.
- c) Where the Board of Directors of the SCCULT decide, or, on a certificate signed by the Chairperson and Secretary of **at least fifteen SACCOs**, all of whom are members of the SCCULT, that a major interest of the SCCULT, or the law, requires an amendment to Byelaws, then, that amendment will be considered at the next Annual General Meeting, or special general meeting called for this purpose, irrespective of whether such amendment has been defeated at a previous general meeting or not. Amendments under this Byelaw shall be by resolution carried by not less **than two-thirds of the votes** given thereon.

PART XI

AMALGAMATION AND DISSOLUTION

1. Amalgamation

Subject to the Co-operative Societies Act , SCCULT may by resolution passed at a meeting of the members, amalgamate with or transfer its engagements from any other body provided that before such meeting, the proposed resolution shall be in the hands of members not less than **120 days and** shall require a majority of **not less than 75% of** the members present and voting.

2. Dissolution

- a) The SCCULT may be dissolved by an instrument of dissolution to which not fewer than **three-fourths** of the members have given their consent, testified by the signatures to the instrument of the Chairperson and Secretary of the member SACCOs provided such an instrument shall have been in the hands of members not less **than 120 days** prior to the meeting at which it will have been considered and passed by a majority of not **less than 75% of** those present and voting.
- b) Provided that before presentation for signature, such instrument as in Paragraph (a) above shall have been passed at a general meeting by not less than **75% of those present** and voting

at such meeting and that a copy of such proposed instrument shall have been in the hands of members not less than **120 days** before such meeting.

- c) The SCCULT may be dissolved by the agreement in writing of not less than **three-fourths of** the members submitted to the SCCULT, not less than **60 days after** the posting to the members of a notice of a proposal to dissolve. If the response to such a notice is inconclusive, at the end of the aforesaid 60 days, a second notice may be served on the members and if after 60 days after the posting of the second notice, less than one-fourth of the members signify their intention to keep the SCCULT in being, then the Board of Directors shall be empowered to dissolve the SCCULT by a **two-thirds** majority of the directors present and voting.
- d) If after 90 days after the end of the period of 60 days provided for in part (c) the Board has not met to consider the dissolution, the Chief Executive Officer may dissolve SCCULT in accordance with the Cooperative Societies Act.
- e) The dissolution of the SCCULT shall commence on receipt by the SCCULT of the instrument of dissolution signed as provided for in (a) or on the decision of the Board or the Chief Executive Officer to dissolve the SCCULT as provided for in (c) and (d) above. Dissolution of the SCCULT shall be deemed to have taken effect when all the assets of the SCCULT shall have been realised and distributed as provided for in Byelaw 3 of this section.
- f) Notwithstanding section **Part 10 Byelaw 2** the dissolution of the SCCULT shall be effective only upon the endorsement by the Registrar of Cooperative in accordance with the provisions of the cooperative Societies Act.

3. Member Rights

Notwithstanding anything in these Byelaws and subject to the above, only a member may put down a resolution covering any aspect of amalgamation, transfer of engagements or dissolution.

4. Disposal of Surplus

If on the dissolution of the SCCULT there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall be paid to or distributed among the member SACCOs in the same proportions that the total membership of each member SACCO bears to one another.

PART XII

MISCELLANEOUS

1. Custody of Records

The books of accounts and all other records of SCCULT appertaining to it or its members shall be kept at the principal office of SCCULT or at such other place as may be determined by the Board of Directors and shall at all reasonable times be freely available for the inspection of any Director or supervisor of SCCULT.

2. **Nominees**

The Board of Directors shall at all times reserve the right to appoint and change representatives or nominees to any organisation or body with which SCCULT may affiliate.

3. **Insurance**

The Board of Directors shall cause to be carried all such insurance as may be reasonably necessary to carry on the business of SCCULT and shall specifically report to the Annual General Meeting that such insurances are in force.

4. **Conflict of Interest of Officers**

It shall be the duty of any officer of SCCULT who is in any way, whether directly or indirectly, personally interested in any matter pertaining to SCCULT to declare and make known forthwith the nature of his interest to the Board of Directors. An officer shall at all times acquaint the Board of any conflict of interest which may arise due to business or other commitments and may be required by the Chairperson to withdraw during any subsequent discussion on the matter.

5. **Consideration of Complaints**

If any question, difference or dispute whatsoever shall arise between any members or officers of SCCULT, SCCULT Board, or their respective representatives touching these Byelaws or any clause or thing herein contained or the construction thereof or as to any matter in any way connected with or arising out of these Byelaws or the operation thereof or the rights, duties, responsibility or liabilities of such members or officers in connection therewith or to one another in the conduct or manner of conduct thereof then in every such case the matter in difference shall be referred to a single arbitrator to be agreed by the parties to the difference and in default of agreement as to such arbitrator to be appointed by the Registrar of Co-operatives and upon every or any such reference the arbitrator shall have power to take the opinion of such counsel as he may think fit upon any question of law that may arise and at his discretion to adopt any opinion so taken and to obtain the assistance of any other expert as he may think fit and to act upon any statement or expert assistance thus obtained provided always that:-

- a) The award of such arbitrator shall be final and conclusive.
- b) The cost of such arbitration shall follow such award provided that not less than 28 days prior to the appointment of the arbitrator **a sum to be negotiated** shall be deposited by each person (being an individual) requiring such arbitration to be deposited as security for costs with SCCULT Board and **a sum to be negotiated** in the case of others, and
- c) Any such question, difference or dispute shall be notified to SCCULT Board by the parties thereto together with the name of the arbitrator duly appointed and SCCULT Board shall have the right (but without being bound to do so) to submit its opinion thereon to such arbitrator. The arbitrator shall notify SCCULT Board of his decision.
- d) (The laws of arbitration shall apply.

6. Confidential matters

All decisions of the Board of Directors shall be binding on each Director and all matters concerning the business of SCCULT shall be considered as confidential by the directors.

No Director may presume to speak, publish or cause to be published any matter or act on behalf of SCCULT without the prior authorisation of the Board except when to do so clearly comes within the competence of an officer of the Board.

7. Reports to Members

The Board of Directors shall, **not later than three months** after the Annual General Meeting, submit the minutes of the Annual General Meeting to each member and report to the members on the implementation of resolutions carried or remitted to the Board at the Annual General Meeting.

8. Notice to SCCULT by Members

Each member shall cause notice of its general meetings, at which SCCULT shall have the right to be represented and heard, to be given to SCCULT at the same time as it gives notice of the meeting to its members. Within 14 days of any general meeting and of any meeting of its Board of Directors at which elections or appointments to office take place, each member shall notify SCCULT of the names and addresses of all persons elected or appointed to office.

9. Returns to SCCULT by Members

A copy of members' accounts and auditor's report laid before its last Annual General Meeting and a copy of its appropriate return to the Registrar of Cooperatives Societies, shall be sent to SCCULT not later than four months after the end of the financial year subject to a capacity of the members to fulfil this criterion.

10. Service of Notice

A notice served by hand, email or by post and received by the Chief Executive Officer at the principal office of SCCULT shall be deemed to be served on SCCULT.

11. Donations

Donations may be made out of or met from the funds of SCCULT by the Board of Directors provided that donations other than to member SACCOS and chapters of SCCULT shall require a two-third majority of those present and voting at the Board meeting and such donations shall be clearly identified in the accounts presented to the Annual General Meeting.

12. Copyright

The Board shall take steps to register such trademarks and insignia and take copyrights as it sees fit and no person may reproduce any such trade mark or insignia without the prior written permission of the Board. The copyright of all reports presented to SCCULT Board or chapters and any matter prepared at the request of any of them shall be the property of the SCCULT. The Board shall have power to release or otherwise dispose of such copyright on behalf of SCCULT as it sees fit.

PART XII

OFFICIAL STATEMENT OF SACCO OPERATING PRINCIPLES

These SACCO Operating Principles are founded in the philosophy of cooperation and its central values of equality, equity and mutual self-help. Recognizing the varied practices in the implementation of SACCO philosophy around the world, at the heart of these principles is the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their community.

1. DEMOCRATIC STRUCTURE

a) Open and Voluntary Membership

Membership in a SACCO is voluntary and open to all within the accepted common bond of association that can make use of its services and are willing to accept the corresponding responsibilities.

b) Democratic Control

SACCO members enjoy equal rights to vote (one member, one vote) and participate in decisions affecting the SACCO, without regard to the amount of savings or deposits or the volume of business. Voting in SACCO support organizations or associations may be proportional or representational, in keeping with democratic principles. The SACCO is autonomous, within the framework of law and regulation, recognizing the SACCO as a co-operative enterprise serving and controlled by its members. SACCO elected offices are voluntary in nature and incumbents should not receive a salary. However, SACCOs may reimburse legitimate expenses incurred by elected officials.

c) Non-Discrimination

SACCOs are non-discriminatory in relation to race, nationality, sex, religion and politics.

2. SERVICE TO MEMBERS

a) Service to Members

SACCO services are directed to improve the economic and social well-being of all members.

b) Distribution to Members

To encourage thrift savings and thus to provide loans and other member services, a fair rate of interest is paid on savings and deposits, within the capability of the SACCO.

The surplus arising out of the operations of the SACCO after ensuring appropriate reserve levels and after payment of limited dividends on permanent equity capital where it exists belongs to and benefits all members with no member or group of members benefiting to the detriment of others. This surplus may be distributed among members in proportion to their transactions with the SACCO as interest or patronage refunds, or directed to improved or additional services required by the members.

c) Building financial Stability

A prime concern of the SACCO is to build the financial strength, including adequate reserves and internal controls that will ensure continued service to membership.

3. SOCIAL GOALS

a) On-Going Education

SACCOs actively promote the education of their members, officers, and employees, along with the public in general, in the economic, social, democratic and mutual self-help principles of SACCOs. The promotion of thrift and the wise use of credit, as well as education on the rights and responsibilities of members are essential to the dual social and economic character of SACCOs in serving member needs.

b) Co-operation among Co-operatives

In keeping with their philosophy and the pooling practices of co-operatives, SACCOs within their capability actively co-operate with other SACCOs, co-operatives and their associations at local, national, and international levels in order to best serve the interests of their members and their communities.

c) Social Responsibility

Continuing the ideals and beliefs of co-operative pioneers, SACCOs seek to bring about human and social development. Their vision of social justice extends both to the individual members and to the larger community in which they work and reside. The SACCO ideal is to extend service to all who need and can use it. Every person is either a member or a potential member and appropriately part of the SACCO sphere of interest and concern. Decisions should be taken with full regard for the interest of the broader community within which the SACCO and its members reside.

Certified that the foregoing by-laws of **“THE SAVINGS AND CREDIT CO-OPERATIVE UNION LEAGUE OF TANZANIA (1992) LIMITED”** has been approved and duly registered.

Given under my hand in Dodoma this **DAY OF** **TWO THOUSAND AND**

.....
REGISTRAR OF CO-OPERATIVE SOCIETIES