



ENERGY REGULATED NON-WDTSACCO SOCIETY LTD

ELECTIONS AND VETTING POLICY

OCTOBER 2022

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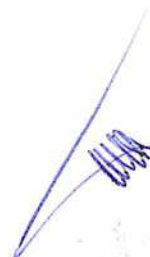
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1. INTRODUCTION

This document describes the formal process of nomination and election of members to the board of The Energy Saving and Credit Cooperative Society Ltd

At the elections, members shall decide, by majority vote, the method of voting. The method may be secret ballot, electronic voting system, queuing or by show of hands.

The Board of Directors shall appoint a Returning Officer who shall be responsible for the supervision of elections.

1.1. Board of Directors

- i. The board shall be the governing body of the SACCO society elected from the members and shall consist of at least five members and not more than nine members.
- ii. Members of the board shall hold office for a period of three years provided that; one-third of the board members shall retire every year but will be eligible for re-election.
- iii. Where the membership of the board falls below five the board shall co-opt qualified members into the board until the next General Meeting.
- iv. The Board of Directors shall appoint a Returning Officer who shall be responsible for the supervision of elections.

1.2. Eligibility for Membership to the Board

- i. No person shall be eligible as a member of Board if he/she;-
 - a. Has not been elected by members.
 - b. Has been adversely named by the Commissioner or his/her representative in an inquiry report endorsed by an Annual or Special General meeting for mismanagement or corrupt practices whilst still a member of the Board of a co-operative society or union in the last ten years, or named in any other national inquiries where he/ she has been shown to be engaging in dishonest activities.
 - c. Has been adversely named by the Authority in an inspection report for mismanagement or corrupt practices while still a member of the board of a SACCO society.
 - d. He/she does not have minimum non withdrawable deposits of Kshs 300,000 and minimum share capital of Kshs. 26,637/=
 - e. He/she is under the twenty-one years of age
 - f. Is a Board member of another existing SACCO society licensed under the Act;
 - g. Is an official of or holds a political office at any level

- h. Does not conform to minimum qualification standards in accordance with the applicable law.
- i. Has not duly executed the Fit and Proper Test form as provided in the Regulations.

2. ELECTIONS OF BOARD MEMBERS

2.1. Nomination and Vetting Committee

- i. There shall be a Nominating Committee to vet and clear the prospective candidates for elections.
- ii. The Nominations Committee shall notify the members of the vacancies arising in both the board and the Supervisory Committee.
- iii. Total number of elected board and supervisory committee members shall be one third of the either gender where applicable.
- iv. During elections, the Returning officer shall present duly nominated candidates for the vacant positions. Each candidate must have a proposer and a seconder.
- v. At the elections, members shall decide, by majority vote, the method of voting. The method may be secret ballot or queuing or by show of hands.
- vi. No member shall be entitled to vote by proxy.
- vii. Irrespective of the number of shares held by him, no member shall have more than one vote.
- viii. The Board members shall be elected from members stationed in Nairobi.
- ix. Within fourteen (14) days of the elections, the C.E.O shall forward to the Commissioner and the Authority the names and addresses of all persons elected.
- x. A new board elected at the General Meeting shall not assume office unless they have been cleared by the Authority and satisfied the requirements of the Co-operative Societies Act, Rules and the by-laws as to the indemnity and ethics.

2.2. Appointment of Nominations Committee

- i. Every January, the Board of Directors shall appoint a Nominations Committee of not less than five persons. This shall be an ad-hoc committee.
- ii. The Nominations Committee shall:
 - a) Notify all members of the SACCO that an election of Directors is to take place, specifying the number of positions which the Nominations Committee knows at that time are required to be filled;
 - b) Invite members to submit to the Nominations Committee, in such form or forms the Nominations Committee shall from time to time prescribe for the purpose, the names of proposed candidates; and
 - c) Advise all members, that for purposes of being eligible to vote in the election, a person must be a member in good standing on the Voting

Record Date established in accordance with the Cooperative Societies Act & Rules and the society's bylaws.

- iii. Before the name of a member is placed in nomination as a candidate for election as a Director, that member shall deliver to the Nominations Committee a declaration, in writing, stating that the member is willing:
 - a) to stand for election, and if elected or appointed, to serve as a Director;
 - b) to observe the provisions of the Cooperative Societies Act & Rules, the SACCO Act & Regulations and any other applicable laws;
 - c) to comply with the Code of Conduct and Ethics for Directors as adopted by the Board of Directors from time to time; and
 - d) to observe the Rules of the SACCO and the procedures relating to the election and conduct of Directors contained therein.
- iv. The SACCO shall, prior to the date on which nominations are to close, at such times and places as are specified by the Nominations Committee, hold one or more information sessions for those members who are considering permitting their names to be placed in nomination as candidates for election as a Director.
- v. Each nomination of a member as a candidate for election as a Director must be made in writing, witnessed by at least three members of the SACCO.
- vi. The Nominations Committee shall examine each nomination received and determine whether the nomination complies with the SACCO Act, the Cooperative Societies Act, the vetting criteria and these Rules, and shall accept each nomination of a member qualified to be a candidate whose nomination complies with the foregoing and otherwise reject any nomination of a member who is not qualified to be a candidate or whose nomination does not comply with the applicable laws.
- vii. The Nominations Committee shall notify each nominee accordingly and shall, forthwith after the date on which nominations close:
 - a) inform each member whose nomination has been accepted of the provisions of these Rules with respect to the conduct of the election and provide to each member whose nomination has been accepted a copy of the Rules of the SACCO and any determinations of the Board relating to elections and the conduct thereof;
 - b) request that each member whose nomination has been accepted complete and deliver to the SACCO the personal information return required to be submitted to the Commissioner of Cooperatives/the SACCO Societies Regulatory Authority in the event such member becomes a Director of the SACCO;
 - c) place in nomination the names of those members whose nominations have been accepted; and



- viii. If there is an election by acclamation, the respective terms of the persons so elected shall be decided by the Nominations Committee, if necessary.
- ix. If the number of qualified persons nominated for the offices for which the election is to be held is equal to the number of offices to be filled, the persons so nominated shall be declared by the Nominations Committee to be elected unopposed.
- x. Where the number of qualified persons nominated for the offices for which the election is to be held is in excess of the vacancies to be filled, an election shall be held to fill the vacancies.
- xi. The results of the election shall be announced before the close of the election day.
- xii. A notice of the election or appointment of a person as a Director of the SACCO shall be filed with the Commissioner's Office and the Authority in accordance with all applicable laws.
- xiii. Subject to applicable laws, the Board of Directors shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election and candidates may only campaign in accordance with the permitted method and manner as determined by the Board of Directors and must not campaign in the method and manner prohibited by the Board of Directors.
- xiv. No candidate shall campaign on or interfere with the property of the SACCO in connection with any election or permit anyone to do so on his or her behalf.
- xv. Notwithstanding Rule (xviii) above, no candidate shall campaign or permit any person to campaign on his or her behalf in any of the premises of the SACCO or subsidiary of the SACCO or any property where any premises or facilities of the SACCO or its subsidiary are situated, except in the method and manner permitted pursuant to these Rules and any regulations as may be determined by the Board of Directors.
- xvi. Subject to applicable laws, a candidate who campaigns or permits any person to campaign on his or her behalf in any method or manner which in the opinion of two thirds of the Board of Directors is other than as determined by the Nominations Committee shall be disqualified as a candidate. The candidate will be given the opportunity to address the Nominations Committee before such a vote is taken.
- xvii. xxiii. No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the SACCO or the Returning Officer.
- xviii. xxiv. If any candidate violates any of these Rules, the Nominating Committee may disqualify the candidate and the determination of the Nominating Committee shall be final, non-appealable and binding. In the event of a

violation of these Rules, the Board of Directors may also remove a candidate as Director pursuant to Cooperative Societies Act / SACCO By-laws.

2.3. Terms of Reference of Nominating Committee

- i. In sufficient time before the election of directors, and in accordance with the Cooperative Societies Act, the Rules, SACCO Act and the Regulations, notify the membership that elections are due and request nominations for board positions. Specify and communicate the date when nominations shall close.
- ii. Identify, evaluate and recommend nominees for the election of directors/supervisory committee members, using advisors if needed to the General Meeting.
- iii. Survey, if needed, and obtain nominations in advance of the elections (or any Special General Meeting called for the purpose of electing directors).
- iv. Conduct an election if there are more candidates than Board positions, in accordance with the rules of the SACCO.
- v. Consider any matter pertaining to the election of directors/supervisory committee members referred to it by the Board of directors.
- vi. Consider and act on any matter pertaining to election of directors/supervisory committee members as specified by the rules of the SACCO.
- vii. Develop, review and evaluate the effectiveness of the election procedure.


2.4. Vetting Criteria for Board of Directors and Supervisory Committee

- i. Vetting is the process of performing background checks on a person before offering them appointment/employment or conferring them an award. Property or Assets are also vetted to determine their usefulness and/or value.
- ii. Vetting criteria includes amongst other considerations the concepts of honesty, solvency and competence. This extends to the conduct of the member and employee both in dealing with the Co-operative society and the public.
- iii. Vetting criteria will be based on the characteristics of age, citizenship, academics, professionalism, qualifications, experience, health, security, ethical behavior and legal obligations of the applicant.
- iv. The principles and values of leadership as stated in section 73 of the Leadership Act will be applied in the vetting criteria which includes:-personal integrity, competence, objectivity and impartiality, decision making, selfless service based on public interest, honesty, declaration of personal interest that may conflict with personal duties, accountability to the public, discipline and commitment to the people.

2.5. Eligibility to be Elected into Board of Directors and Supervisory Committee

Eligibility will also be based on the requirements that an applicant:

- i. Pays his taxes



- ii. Has not abused public office
- iii. Has no criminal record
- iv. Has not defaulted on loans
- v. Has not conducted himself in unprofessional manner
- vi. Is mentally stable
- vii. Knowledge and experience
- viii. Reputation and character
- ix. Is not a beneficiary of international money laundering, drug trafficking or subversive activities financiers.

It is important to emphasize that these categories are not intended to be exhaustive or definitive. The fit and proper test exists to protect the interests of members.

2.6. Voting

- i. Voting shall take place on the Annual General Meeting day
- ii. Voting will be done by any method approved on the day. At the elections, members shall decide, by majority vote, the method of voting. The method may be secret ballot, electronic or queuing or by show of hands.
- iii. No member shall be entitled to vote by proxy.
- iv. Irrespective of the number of shares held by him, no member shall have more than one vote.

2.7. Results

Results will be announced before the close of the Annual General Meeting.

APPROVAL

This policy is approved for SACCO use by:

EXECUTIVE COMMITTEE:

Chairman:

Name ... Paul N. Mbuti Sign ... [Signature] Date... 24/11/22.....

Secretary:

Name ... STELLA NAUMI Sign ... [Signature] Date... 24/11/2022.....

Treasurer:

Name ... J.P.M. D. OLOO Sign ... [Signature] Date... 24/11/22.....