



CHAI SACCO
— *count on us* —

ELECTIONS POLICY

October 2016

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1. INTRODUCTION

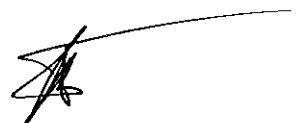
Chai SACCO system of governance is based on decentralized democratic structure, member-responsive and effective leadership culture that harnesses the skills and knowledge of its members to secure their best interests. Members seeking to compose the Board and governance organs of the Sacco should therefore be aware of the responsibilities and obligations awaiting them.

The Implementation of the Sacco Societies Act of 2008 has recognized this need and introduced stringent requirements in the governance and management of Sacco's and hence the Sacco wishes to ensure full compliance with the said Act.

The guidelines outlined in this policy shall apply to the Sacco members wishing to be considered for election to the Sacco Board, Supervisory Committee, Branch officials and Delegates. The candidates for the position of the Sacco Board members, Supervisory Committee, Branch officials and Delegates shall comply with the guidelines given in this policy, the Society's By-Laws, Co-operatives Societies Act and Sacco Act and any other applicable law.

In line with the above, the ADM held on 19th March 2016, at Kenya Institute of Education, resolved to establish a Vetting & Nomination Committee to conduct the initial process of vetting the persons coming forward for election.

Pursuant to the Sacco By-law no.46 (e) of 2013, Chai Sacco hereby promulgates this nomination and elections policy and related guidelines to provide its members with clear guidance on nomination and election process. It details guidelines to the composition of the Board, eligibility, number, qualifications, nature and election frequency and procedure(s) for the vacant position(s) that require to be filled.



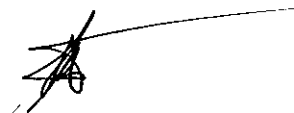
1.1 Definition of key terms

The following key terms shall have the designated meanings unless the context otherwise, as shall be used in this policy. For any questions or dispute concerning the interpretation of this policy on any matters not provide for therein, errors and omissions shall be referred to the Co-operative Societies Act, Sacco Societies Act and Sacco By-Laws.

- Act** - Means the Co-operative Societies act Cap 490 Laws of Kenya.
- Branch** - Means an electoral unit recognized by the society in line with the established and licensed business units by SASRA.
- Board** - Means the Board of Directors of the Society.
- By-Laws** - Mean the rules and regulations governing the operations of the Chai SACCO Society as approved by the members and registered by the commissioner.
- Committee** - Means the nominations committee of the Society
- Commissioner** - Means commissioner for co-operative development.
- Delegate** - An elected representative from a Chai Sacco electoral zone as per the Sacco By laws.
- Deposit** - Non-withdrawable deposits contributed on monthly basis by a member
- Member** - Means fully paid up, active contributor and admitted into the membership in accordance with the By-Laws.
- Region** - means the seven (7) KTDA offices which are led by Regional Manager.
- Rules** - are assigned the same meaning as in the Act.
- Presiding officer** - person appointed to oversee or conduct the elections of the SACCO Society at the grassroots level and Delegates' Meeting.
- Society** - Means Chai Sacco society Limited.

1.2 Abbreviations and Acronyms

ADM	Annual Delegates Meeting
CEO	Chief Executive Officer
KTDA	Kenya Tea Development Agency
SASRA	Sacco Societies Regulatory Authority



2. PURPOSE

This policy has been made in pursuance of the Sacco Bylaws of 2013 particularly section 39 on duties of delegates' meetings, section 41 on eligibility of member to the board, section 42 on elections, section 46 on duties and powers of the board and section 53 on removal of a board member from office. In addition, a resolution to establish a Vetting and nomination Committee by the Annual Delegates Meeting held on 19th March 2016, at Kenya Institute of Education was also passed.

The purpose of this policy includes vetting individual members eligible to join the Sacco Board, Supervisory Committee, Branch officials and Delegates; and review of the Sacco electoral regions. The Committee shall comprise of the three (3) members nominated in accordance with clause 4.2 of the policy.

2.1 Broad Objective

The aim of this policy is to maintain credibility in the nomination and elections process from delegates, branch officials, board and supervisory levels of the Society by streamlining the processes and ensuring that transparency and fairness is achieved. It requires that all members seeking elections to familiarize themselves with this policy.

2.2 Specific objectives

The specific objectives of this policy are:-

- i. To ensure competent leaders are elected
- ii. To ensure orderliness during and after the elections
- iii. To determine the number of office bearers and composition
- iv. To predetermine the election calendar
- v. To put in place the vetting guidelines
- vi. To determine the composition of Vetting Committee membership
- vii. To establish the Electoral areas of the Society's membership
- viii. To examine the eligibility and qualifications of voters
- ix. To examine the eligibility and qualifications of those intending to vie for positions.
- x. To establish the various modes of voting during elections
- xi. To guide in the voting and appeal process

3. SCOPE

This policy applies to all elections within the Sacco and provides guidelines for election of delegates, branch officials, supervisory committee and board of directors. The vetting, nomination and election shall apply to all sitting and aspiring candidates, sitting being candidates holding office prior to any elections. Where the provisions and procedures in this policy are inconsistent with the Society by-law, then the by law will prevail.

The following shall also form the basis of the application and enforcement of this policy:

- a) The Co-operatives Society's Act and Rules
- b) The Sacco Societies Act 2010 and Regulations
- c) The SASRA Circulars and requirements
- d) The Sacco By-laws.
- e) Circulars from the County Co-operative office.
- f) Any other applicable law
- g) Prevailing circumstances

4. VETTING COMMITTEE


4.1. Mandate

The mandate of this committee shall be vetting individual members eligible to be elected as delegates, branch committee members, Sacco Board members and Supervisory Committee.

4.2. Composition of vetting & nomination committee

1. The committee shall comprise of the three management staff members to be appointed by the CEO.
2. Terms of reference (TOR) of the vetting committee
 - a. To oversee the vetting and electoral process
 - b. To issue nomination clearance certificate
 - c. To issue certificates to successful candidates
 - d. To compile a report on the vetting process and present it to the delegates meeting
 - e. To carry any other mandate as per this policy

The vetting committee shall elect their own chairman.



5. SACCO ELECTIONS

5.1. Electoral Areas

The committee shall adopt the electoral zones/constituencies as provided in the Society's by laws.

5.2. Eligibility to vie for directorships

In addition to the requirements provided in the Society's by laws, for a delegate to vie for a board or supervisory committee position, he or she;

- a) Must have served as delegate for at least two (2) years.
- b) Must not have been mentioned adversely in an enquiry report or forensic report adopted by the society
- c) Must not have been dismissed from employment due to a criminal activity. In this connection, the candidate must undertake to authorize the committee to contact his/her present and past employers should it wish to do so.
- d) Must have honored all his/her obligations whether personal or corporate, with particular attention being paid to credit obligations, including membership of a professional body where applicable. The person must therefore be free from bankruptcy.
- e) Must be of sound mind with capacity and ability to handle the business of the day and make proper judgement.
- f) Must be prepared to authorize the committee to seek any information about him/her under confidential cover to support the committee's vetting process.
- g) Must generally meet the requirement of leadership and integrity as provided in Chapter Six of the Kenyan Constitution of 2010
- h) Must have attained 18 years of age
- i) Must have been consistently servicing his loan(s) as per the credit policy
- j) Not have been expelled as a member of the Board under the provisions of the Act and the By-Laws, unless cleared by the Annual Delegates meeting and approved by the Commissioner for Co-operative development.

5.3. Skills, Professional & governance

The following are the preferred but not mandatory skills & competencies desired by the Sacco:

- a) Leadership and governance
- b) Finance, accounting or Banking
- c) Business development & Marketing
- d) Human Resource
- e) Information communication & Technology
- f) Customer Service
- g) Audit & Compliance
- h) Administration

5.4. Other desired competences

Nominees should possess the following;

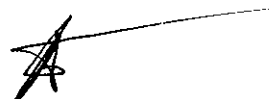
- a) They must have a working experience of a minimum of (five) 5 years
- b) The nominee shall have experience at a strategic or policy making level in a business, government, non-profit or academic organization of high standing.
- c) The nominee shall be well regarded in the community and shall have a long-term reputation for the highest ethical and moral standards
- d) The nominee shall have sufficient time to commit to the affairs of the Sacco, particularly in light of the number of board committees on which the nominee may serve

6. VETTING AND ELECTORAL PROCESS

6.1. Declaration of vacant positions

In electoral areas where vacancies arise or from where the Board member is retiring, the following procedure will apply before elections take place.

- a) The chairman shall issue a notice of vacancy to the area affected, using all official channels of communication acceptable, calling for applicants to apply.



- b) The notice will give a deadline of 15 days to submit applications.
- c) The Vetting Committee will then sit within five days after closure of application to vet the candidates.
- d) The Vetting Committee will communicate to all candidates about the vetting outcome before the Election date.

6.2. Candidates Application requirements

Applicants who are contesting as a delegate, branch committee member, Sacco Board member or Supervisory Committee member and meets the set criteria shall forward the following to the committee through the office of the CEO;

1. Duly filled nomination form
2. Copy of the national identity card.
3. Should provide a certificate of good conduct.
4. Should declare previous dealings with the Sacco where the candidate or his/her organization has done business with the Sacco, including that in a professional capacity.
5. Should take a declaration of oath that all the information provided is true beyond any doubt.

The Society shall provide the following to accompany the above;

- a) Loans and deposits Society's statements for the preceding twelve months.
- b) CRB report of the candidates

6.3. Vetting of applications

- a) The nomination documents shall be received on or before the date set by the nominating committee.
- b) The sealed application documents to be received and entered in the nomination register at the Sacco office.
- c) The register shall have the following details:- Name of applicant, member number, ID number, date and time.
- d) All the applications shall be forwarded to the Vetting & Elections committee.



6.4. Vetting Process

- a) The CEO Office/Secretariat shall carry out initial appraisal of the documents to ensure that the candidates meet the requirements as per the by-laws and any other applicable guidelines.
- b) The Vetting Committee will then sit within five days after closure of application to vet the candidates.
- c) The Vetting Committee will communicate to all candidates about the vetting outcome before the Election date.

6.5. Eligibility to vote

- a) The following are eligible for voting under the following;
 - i. Delegates elections - Members who have been active for the last three months and have not defaulted in their loan payments.
 - ii. Branch officials – Elected delegates
 - iii. Directors – Elected delegates
- b) The vetting committee shall inspect the members and delegates register for authenticity, validity and integrity immediately after the register has been closed.

6.6. Presiding officer

- 1. Factory delegate elections – This shall be presided over by Factory Unit Manager or his representative.
- 2. Zonal Delegates, KTDA head office and other organized groups – This shall be presided over by the County/sub county Co-operative Officer /Representative.
- 3. Director’s elections - This shall be presided over by the County Co-operative Director /Representative.



6.7. Voting methods

The elections in the electoral area must run concurrently. Various voting methods are enumerated below:

a) Show of hands

The voters vote by raising up their hands for their preferred candidates.

For show of hands the presiding officer shall count the number of hands raised per candidate and give a final tally.

b) Secret ballot

Where Voters choose secret ballot as the preferred mode of voting, each member will be issued with a serialized ballot paper which will be used to cast the votes into a transparent ballot box.

For secret ballot, the members shall fill the ballot papers and put them inside the sealed ballot boxes. The counting shall be conducted in the counting hall in the presence of all interested voters. Tallying of votes should then be conducted. After all votes have been counted, the presiding officer shall then announce the result to those present.

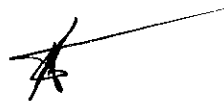
c) Queuing

The voters vote by queuing behind their preferred candidate. For queuing method, the presiding officer shall count the number of voter queuing behind each candidate and give a final tally.

6.8. Election materials

The following materials shall be used in the election process

- a) Nomination application form
- b) Register of members per electoral area.
- c) National Ids for all participants
- d) Transparent ballot box
- e) Nomination clearance certificate
- f) Serialized ballot papers
- g) Tally sheet
- h) Election certificate for each position



6.9. Election Misconduct

The following actions shall among others constitute election misconduct:

- a) Securing nomination on false information
- b) Concealing information which if it had been brought to the knowledge of the vetting committee would have led to the disqualification of the candidate.
- c) Voter buying, vote rigging
- d) Use of absurd, unpalatable, abusive and unprintable language/words
- e) Breach of security and use of life threatening statements
- f) Breach of peace during election period
- g) Acts of omission and commission that scares off voters

A candidate or voter who is involved in election misconduct shall be disqualified from the elections.

6.10. Elections appeals

- a) The CEO shall appoint Elections Appeal committee comprising of three (3) members from Management Staff, where the committee will choose the Chairman.
- b) Aggrieved candidates shall make a formal complaint to the committee through the CEO's office.
- c) Candidates not satisfied with the decision of the committee shall make an appeal to the County Co-operatives office whose decision shall be final.

6.11. Assumption of office

- a) The elected member will be invited by the CEO to attend the Board reconstitution of office meeting that should take place within 7 days after elections
- b) The Board member is issued with Letter of appointment, Code of conduct, Board charter, Strategic plan, Sacco By-laws and rules, Cooperative Act cap 490 and any other relevant documents
- c) They shall be required to complete an Indemnity form for an amount that shall be determined at a delegates meeting.
- d) The CEO and his/her team will make arrangements for the induction of the board and supervisory member



e) For those board members who are co-opted the induction will be done immediately after the board resolution to co-opt one.

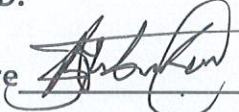
7. POLICY REVISIONS

This Policy shall be reviewed periodically and may be amended as conditions warrant. Amendments to this Policy may be recommended by the Chief Executive Officer or the Board of Directors as necessary and submitted to the Board, provided the changes in no way affect the substance or intent of this Policy.

8. AUTHORISATION

This document has been discussed and adopted for implementation this 29TH day of OCTOBER 2016

SIGNED FOR AND ON BEHALF OF CHAI SOCIETY LTD:

Boniface Ayub Chairman Signature  Date 29/10/16

James Hinga Vice Chairman Signature  Date 29/10/16

John Kingori Treasurer Signature  Date 29/10/16

James Cherutich Hon. Secretary Signature  Date 29/10/16