



# KMS LIMITED

A member-owned financial cooperative

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Reference: KMS/ (TERMS)/ (2025)

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## TERMS AND CONDITIONS

### PREAMBLE

THESE TERMS AND CONDITIONS (hereinafter referred to as the "Terms") constitute a legally binding agreement between KMS LIMITED (hereinafter referred to as the "Sacco") and any individual who applies for and is granted membership of the Sacco (hereinafter referred to as the "Member"). These Terms govern the relationship between the Sacco and its Members and outline the rights, responsibilities, and obligations of all parties.

WHEREAS the Sacco is a duly registered financial cooperative established under the laws of Kenya with the primary objective of promoting financial inclusion, member participation, and social responsibility;

AND WHEREAS these Terms have been approved by the Board of Directors of the Sacco in accordance with its powers under the Sacco's By-laws and all applicable laws and regulations;

NOW THEREFORE, by applying for membership and utilizing the services offered by the Sacco, the Member acknowledges having read, understood, and agreed to be bound by the following Terms:

### ARTICLE I: MEMBERSHIP

#### Section 1.1: Eligibility Criteria

1.1.1 Membership in the Sacco shall be open to any individual who meets all of the following criteria:

- (a) Has attained the age of eighteen (18) years;
- (b) Demonstrates a strong connection to the Kenyan community, although residency in Kenya is not mandatory;
- (c) Exhibits good character and financial responsibility, as may be determined by the Board of Directors in its sole discretion;

- (d) Is willing to abide by these Terms and all other rules and regulations established by the Sacco; and
- (e) Is not disqualified from membership by any provision of the law or these Terms.

1.1.2 The Board of Directors reserves the right to deny membership to any applicant who, in the Board's reasonable judgment:

- (a) Has a history of financial mismanagement;
- (b) Has engaged in unethical behaviour; or
- (c) May otherwise pose a risk to the Sacco's reputation, stability, or operations.

## **Section 1.2: Application Procedure**

1.2.1 An individual seeking membership in the Sacco shall:

(a) Submit an application by electronic mail to kms2022.sacco@gmail.com, which email shall include:

- (i) A formal expression of interest in joining the Sacco;
- (ii) A comprehensive introduction of the applicant; and
- (iii) The applicant's specific reasons for seeking membership.

(b) Remit a non-refundable joining fee of Kenya Shillings Five Hundred (KSh. 500/=) which shall be deposited directly into the applicant's account upon approval of membership.

(c) Make an initial minimum deposit of Kenya Shillings One Thousand (KSh. 1,000/=) into a savings account, as per instructions provided by the Sacco upon receipt of the application.

## **Section 1.3: Approval Process**

1.3.1 Upon receipt of a complete application and the required initial deposits, the Board of Directors shall:

- (a) Review the application according to the criteria set forth in Section 1.1;
- (b) Vote on the approval or rejection of the application; and
- (c) Communicate its decision to the applicant via electronic mail within twenty-four (24) hours of such decision.

1.3.2 In the event an application is rejected, the Sacco shall refund the application fee to the applicant within twenty-four (24) hours of the rejection decision.

1.3.3 The Board's decision regarding membership applications shall be final and binding, and the Board shall not be obligated to provide reasons for rejecting any application.

## **Section 1.4: Membership Rights**

1.4.1 Upon acceptance as a Member of the Sacco, each Member shall be entitled to:

- (a) Participate in and vote at all general meetings of the Sacco, with each Member having one vote regardless of their shareholding or deposit amount;
- (b) Elect and be elected to the Board of Directors or any committee of the Sacco, subject to meeting the qualifications for such positions;
- (c) Access all services offered by the Sacco, including but not limited to savings facilities and loans, subject to the specific eligibility requirements for each service;
- (d) Receive regular and transparent information regarding:
  - (i) The Sacco's financial performance;
  - (ii) Governance structure;
  - (iii) Operational policies; and
  - (iv) Any material changes to the Sacco's operations or these Terms.
- (e) Inspect the Sacco's books of accounts, member register, and minute books during normal business hours, provided that the Member gives reasonable notice and adheres to the procedures established for such inspection;
- (f) Receive a proportionate share of any dividends declared by the Sacco on share capital, in accordance with the Member's shareholding; and
- (g) Transfer their shares to another Member, subject to the approval of the Board of Directors and the limitations set forth in these Terms.

## **Section 1.5: Member Obligations**

1.5.1 Each Member of the Sacco shall be obligated to: (a) Adhere strictly to these Terms and all other rules, regulations, and policies established by the Sacco;

(b) Uphold the core values of the Sacco, including financial inclusion, member participation, social responsibility, and ethical conduct in all dealings with the Sacco and other Members;

(c) Fulfill all financial obligations to the Sacco promptly, including but not limited to:

- (i) Making the required minimum monthly savings deposit of Kenya Shillings One Thousand (KSh. 1,000/=) by the fifth (5th) day of each month;
- (ii) Paying the annual membership fee of Kenya Shillings Five Hundred (KSh. 500/=);
- (iii) Contributing the required share capital of Kenya Shillings Five Thousand (KSh. 5,000/=) within twelve (12) months of joining the Sacco; and
- (iv) Repaying any loans and associated interest in accordance with the agreed terms.

- (d) Attend and actively participate in general meetings and other Sacco activities;
- (e) Provide accurate and up-to-date personal information to the Sacco and promptly notify the Sacco of any changes to such information;
- (f) Act in good faith in all dealings with the Sacco and refrain from engaging in any activities that may harm the Sacco's reputation or interests; and
- (g) Maintain confidentiality regarding any sensitive information about the Sacco's operations that may come into their possession.

## **Section 1.6: Revocation of Membership**

1.6.1 The Board of Directors may, in its sole discretion, revoke the membership of any Member who:

- (a) Fails to make the required monthly savings deposits for three (3) consecutive months without providing a justification deemed valid by the Board;
- (b) Engages in activities that contravene these Terms or undermine the Sacco's core values;
- (c) Is found to have provided false or misleading information in their membership application;
- (d) Is involved in fraudulent activity related to the Sacco's operations;
- (e) Is convicted of a criminal offense involving dishonesty or moral turpitude;
- (f) Becomes insolvent or bankrupt; or
- (g) Dies, in which case the Member's rights and obligations shall be transferred to their legal representatives or beneficiaries in accordance with the law.

1.6.2 Prior to the revocation of membership, the affected Member shall:

- (a) Be notified in writing of the grounds for the proposed revocation;
- (b) Be given fourteen (14) days to respond to the allegations; and
- (c) Have the right to be heard by the Board of Directors before a final decision is made.

1.6.3 The decision of the Board of Directors regarding revocation of membership shall be final and binding, subject only to the dispute resolution procedure set forth in Article VI of these Terms.

1.6.4 Upon revocation of membership, the former Member shall:

- (a) Forfeit all rights and privileges associated with membership;
- (b) Remain liable for any outstanding obligations to the Sacco; and
- (c) Be entitled to receive any savings deposits remaining in their account after deduction of any amounts owed to the Sacco, subject to the withdrawal provisions in Section 2.5.

## **ARTICLE II: SAVINGS**

### **Section 2.1: Savings Philosophy**

2.1.1 The Sacco recognizes that regular savings are fundamental to building financial security and achieving personal financial goals. Accordingly, the Sacco encourages all Members to develop consistent savings habits through various incentives and savings products.

### **Section 2.2: Mandatory Savings Requirement**

2.2.1 Each Member shall be required to save a minimum of Kenya Shillings One Thousand (KSh. 1,000/=) per month.

2.2.2 Savings deposits may be made through the following channels:

- (a) Kenya Commercial Bank (KCB); or
- (b) M-PESA mobile money transfer service.

2.2.3 The Sacco shall provide detailed instructions for making deposits through each of the approved channels.

### **Section 2.3: Deposit Deadlines**

2.3.1 All mandatory monthly savings deposits must be made on or before the fifth (5th) day of each month.

2.3.2 Failure to meet the deposit deadline may result in:

- (a) A late deposit penalty as determined by the Board of Directors;
- (b) Restriction of access to Sacco services; or
- (c) In case of persistent defaults, revocation of membership as provided in Section 1.6.

### **Section 2.4: Interest on Savings**

2.4.1 The Sacco may, at its discretion, pay interest on Member savings at a rate to be determined by the Board of Directors.

2.4.2 The applicable interest rate shall:

- (a) Be reviewed periodically, but not less than once per financial year;
- (b) Be communicated to all Members via electronic mail and other appropriate channels; and
- (c) Be subject to change with thirty (30) days' notice to Members.

2.4.3 Interest shall be calculated based on the minimum monthly balance in the Member's savings account and credited to the account at the end of each financial year or at such other intervals as the Board may determine.

## **Section 2.5: Withdrawal of Savings**

2.5.1 While Members are encouraged to maintain long-term savings, withdrawals may be permitted subject to the following conditions:

- (a) The Member shall submit a written withdrawal request to the Sacco not less than thirty (30) days prior to the intended withdrawal date;
- (b) The withdrawal request shall specify:
  - (i) The amount to be withdrawn;
  - (ii) The reason for the withdrawal; and
  - (iii) The preferred method of receiving the funds.
- (c) An early withdrawal fee, as determined by the Board of Directors, may be applied to discourage frequent withdrawals;
- (d) After the withdrawal, the Member's account must maintain a minimum balance as established by the Board of Directors; and
- (e) The Board of Directors reserves the right to reject or defer a withdrawal request if:
  - (i) The Sacco's liquidity position would be adversely affected by the withdrawal;
  - (ii) The Member has outstanding loan obligations to the Sacco; or
  - (iii) The withdrawal would reduce the Member's account balance below the required minimum.

2.5.2 Notwithstanding the provisions of Section 2.5.1, the Board may, in its sole discretion, waive or modify the notice period or other withdrawal conditions in cases of verifiable emergency or hardship.

## **Section 2.6: Dormant Accounts**

2.6.1 A savings account shall be classified as dormant if:

- (a) No deposits or withdrawals are made for a continuous period of twenty-four (24) months; and
- (b) The Member has not communicated with the Sacco regarding the account during this period.

2.6.2 Upon classification of an account as dormant:

- (a) The Sacco shall notify the Member at their last known contact address;
- (b) A dormancy fee, as determined by the Board of Directors, may be imposed on the account; and
- (c) The account may be administratively closed after a further period of inactivity as determined by the Board, provided that reasonable efforts have been made to contact the Member.

2.6.3 Funds in closed dormant accounts shall be held in a suspense account for a period of seven (7) years, after which they may be transferred to an unclaimed financial assets authority in accordance with applicable laws and regulations.

## **ARTICLE III: SHARE CAPITAL**

### **Section 3.1: Nature and Purpose**

3.1.1 Share capital refers to the one-time, non-refundable investment that each Member is required to make upon joining the Sacco.

3.1.2 The primary purposes of share capital are to:

- (a) Strengthen the Sacco's financial base;
- (b) Ensure stability and resilience of the Sacco's operations; and
- (c) Foster a sense of ownership among Members.

### **Section 3.2: Share Capital Requirement**

3.2.1 Each Member shall be required to contribute share capital in the amount of Kenya Shillings Five Thousand (KSh. 5,000/=).

3.2.2 The share capital contribution shall be made within twelve (12) months of joining the Sacco, according to a payment schedule approved by the Board of Directors.

3.2.3 Members may, at their discretion, opt to contribute the entire share capital amount in a single payment.

### **Section 3.3: Nature of Shares**

3.3.1 The share capital contributed by Members shall:

- (a) Be non-refundable, meaning that if a member exits the Sacco, they cannot reclaim this amount directly from the Sacco;
- (b) Represent part-ownership of the Sacco, conferring voting rights and entitlement to a proportionate share of any declared dividends;
- (c) Be transferable to another Member, subject to the approval of the Board of Directors and the limitations set forth in Section 3.4; and
- (d) Not be withdrawable during the Member's active membership.

### **Section 3.4: Ownership Limitations**

3.4.1 No single Member may own more than twenty percent (20%) of the total shares of the Sacco, to prevent disproportionate control over the Sacco's affairs.

3.4.2 In the event that a Member's share ownership exceeds the limit specified in Section 3.4.1 due to the withdrawal of other Members or any other cause, such Member shall be required to divest the excess shares within a period of six (6) months.

### **Section 3.5: Transfer of Shares**

3.5.1 A Member wishing to transfer their shares shall:

(a) Submit a formal application to the Board of Directors, specifying:

- (i) The number of shares to be transferred;
- (ii) The identity of the proposed transferee; and
- (iii) The reason for the transfer.

(b) Obtain written approval from the Board of Directors before effecting the transfer.

3.5.2 The Board of Directors may, in its sole discretion, reject a share transfer application if:

- (a) The transfer would result in a violation of the ownership limitation specified in Section 3.4.1;
- (b) The transferee is not a Member in good standing; or
- (c) The transfer would adversely affect the Sacco's operations or stability.

## **ARTICLE IV: LOANS**

### **Section 4.1: Purpose and Types of Loans**

4.1.1 The Sacco offers various loan products to assist Members in meeting their financial needs, including but not limited to:

- (a) Education loans to finance academic pursuits;
- (b) Medical loans to cover healthcare expenses;
- (c) Home improvement loans;
- (d) Business loans for starting or expanding small enterprises; and
- (e) Emergency loans for unforeseen urgent expenses.

4.1.2 The Board of Directors may, from time to time, introduce new loan products or modify existing ones to better serve the needs of Members.

### **Section 4.2: Loan Eligibility**

4.2.1 To be eligible for a loan, a member must:

- (a) Have been a Member of the Sacco for a minimum period of six (6) months;
- (b) Have a minimum investment in the Sacco that exceeds the amount they wish to borrow;
- (c) Be in good standing, as evidenced by:



- (i) Regular and timely savings deposits;
- (ii) No outstanding loan delinquencies; and
- (iii) Compliance with all other provisions of these Terms.

(d) Provide adequate security or guarantors as required by the Sacco.

### **Section 4.3: Loan Application Process**

4.3.1 A Member seeking a loan shall:

(a) Visit the Sacco's official website at [www.kmssacco.co.ke](http://www.kmssacco.co.ke) and click on "Apply for Loan";

(b) Complete the online application form with accurate information, including:

- (i) Full Name, National ID, Phone Number, Email, Address, Occupation, and Membership Status;
- (ii) Loan Details (Amount, Repayment Period, and Purpose); and
- (iii) Guarantor Information (at least one guarantor whose investment covers the loan amount).

(c) Upload all required supporting documents, which may include:

- (i) Pay stubs or evidence of income;
- (ii) Business plans for business loans;
- (iii) Purchase quotations for specific-purpose loans; and
- (iv) Any other documents that may be requested by the Sacco.

(d) Participate in a loan interview, if required by the Sacco, to discuss the Member's financial situation and loan purpose.

### **Section 4.4: Loan Approval Process**

4.4.1 All loan applications shall be reviewed by the Sacco's Loan Committee based on criteria including:

- (a) The Member's creditworthiness;
- (b) The viability and legitimacy of the loan purpose;
- (c) The Member's ability to repay;
- (d) The adequacy of provided guarantors or security; and
- (e) The availability of funds within the Sacco.

4.4.2 The Loan Committee shall communicate its decision to the applicant within twenty-four (24) hours of the application submission.

4.4.3 Approved loans shall be disbursed according to the terms and conditions specified in the loan agreement.

## **Section 4.5: Loan Terms and Conditions**

4.5.1 Interest Rate: Loans shall be provided at an interest rate of three percent (3%) and ten percent (10%) per month to members and non-members respectively.

4.5.2 Loan Multiplier: The maximum loan amount a Member can borrow shall be three times (x3) their investment in the Sacco.

4.5.3 Loan Guarantee: All loans must be guaranteed by other Members whose investments are greater than the loan amount being borrowed.

4.5.4 Loan Agreement: A formal loan agreement shall be executed between the Sacco and the borrowing Member, specifying:

- (a) The loan amount;
- (b) The applicable interest rate;
- (c) The repayment period and schedule;
- (d) Any applicable fees or charges;
- (e) The consequences of default; and
- (f) Any other terms and conditions specific to the loan.

## **Section 4.6: Loan Repayment**

4.6.1 Members are obligated to repay their loans according to the agreed-upon repayment schedule.

4.6.2 Loan repayments can be made through:

- (a) Electronic transfers;
- (b) Designated collection points; or
- (c) Payroll deductions, if authorized by the Member and their employer.

4.6.3 Members must continue to meet their monthly investment obligations even when they have an outstanding loan.

## **Section 4.7: Late Payments and Penalties**

4.7.1 Late loan payments shall attract penalties as determined by the Board of Directors.

4.7.2 Habitual late payments or loan defaults may result in:

- (a) Increased interest rates on the outstanding loan balance;
- (b) Restriction of access to future loans until existing obligations are settled;
- (c) Forfeiture of the Member's savings to offset the loan;
- (d) Pursuit of guarantors for loan recovery; and
- (e) Legal action against the defaulting Member.

## **Section 4.8: Loan Delinquency and Debt Collection**

4.8.1 The Sacco shall make reasonable efforts to collect outstanding loan balances from delinquent Members through:

- (a) Sending reminder notices;
- (b) Contacting Members by phone or electronic mail;
- (c) Arranging repayment plans; and
- (d) Engaging with guarantors.

4.8.2 As a last resort, the Sacco may refer delinquent accounts to external debt collection agencies or initiate legal proceedings for loan recovery.

## **ARTICLE V: GOVERNANCE**

### **Section 5.1: Democratic Structure**

5.1.1 KMS Limited operates under a democratic structure where Members have a voice in the Sacco's governance through their participation in general meetings and election of representatives.

### **Section 5.2: Board of Directors**

5.2.1 The Sacco shall be governed by a Board of Directors elected by Members at the Annual General Meeting.

5.2.2 The Board of Directors shall be responsible for:

- (a) Setting the strategic direction of the Sacco;
- (b) Overseeing the Sacco's operations;
- (c) Ensuring compliance with relevant laws and regulations;
- (d) Appointing and supervising the management team;
- (e) Approving policies and procedures; and
- (f) Making decisions on matters not specifically reserved for the general membership.

5.2.3 The composition, qualifications, tenure, and removal of Board members shall be governed by the Sacco's By-laws.

### **Section 5.3: Supervisory Committee**

5.3.1 A Supervisory Committee, elected by Members at the Annual General Meeting, shall be responsible for:

- (a) Monitoring the Sacco's financial activities;
- (b) Ensuring the proper use of Sacco funds;
- (c) Conducting internal audits; and
- (d) Reporting to Members on the Sacco's financial integrity.

## **Section 5.4: Member Voting**

5.4.1 Members shall have the right to vote on matters including:

- (a) Election of Board of Directors and Supervisory Committee members;
- (b) Approval of loan applications from non-members;
- (c) Amendments to the Sacco's By-laws and policies; and
- (d) Any other matters as determined by the Board of Directors or required by law.

5.4.2 Each Member shall have one vote, regardless of their shareholding or deposit amount.

## **Section 5.5: Founder's Veto Power**

5.5.1 Notwithstanding the democratic structure, the founder of the Sacco reserves the right to veto any decision made by Member vote.

5.5.2 The founder's veto power shall be exercised judiciously and only in situations where a decision is deemed to be:

- (a) Against the best interests of the Sacco or its Members;
- (b) In contravention of the Sacco's core values; or
- (c) Likely to jeopardize the Sacco's financial stability or reputation.

5.5.3 When exercising the veto power, the founder shall provide a written explanation to the Board of Directors and the general membership within seven (7) days of the decision.

## **Section 5.6: Annual General Meeting**

5.6.1 The Sacco shall hold an Annual General Meeting (AGM) once every calendar year, not later than four (4) months after the end of the Sacco's financial year.

5.6.2 The AGM shall, among other matters:

- (a) Receive and consider the audited financial statements;
- (b) Elect members of the Board of Directors and Supervisory Committee;
- (c) Consider the reports of the Board and Supervisory Committee;
- (d) Approve the appointment of external auditors; and
- (e) Transact any other business for which notice has been given.

5.6.3 Notice of the AGM shall be given to all Members not less than twenty-one (21) days before the meeting date.

## **ARTICLE VI: DISPUTE RESOLUTION**

### **Section 6.1: Amicable Resolution**

6.1.1 The Sacco is committed to resolving any disputes with Members in an amicable and efficient manner.

6.1.2 In the event of a disagreement between a Member and the Sacco, or between Members relating to Sacco affairs, all parties shall endeavour to resolve the matter through good faith discussions.

### **Section 6.2: Informal Resolution Process**

6.2.1 A Member with a grievance shall first attempt to resolve the issue through informal discussion with a Sacco representative or member of the Board of Directors.

6.2.2 If the grievance is not resolved through informal discussion, the Member may submit a formal written complaint to the Board of Directors, which shall:

- (a) Acknowledge receipt of the complaint within seven (7) days;
- (b) Investigate the matter; and
- (c) Provide a written response within thirty (30) days of receiving the complaint.

### **Section 6.3: Mediation**

6.3.1 If a dispute cannot be resolved through the informal resolution process, the parties may agree to mediation, whereby:

- (a) A neutral third party shall be appointed to facilitate discussions between the parties;
- (b) The costs of mediation shall be shared equally between the parties; and
- (c) The mediation process shall be conducted in accordance with procedures established by the Board of Directors.

### **Section 6.4: Arbitration**

6.4.1 If mediation fails to resolve the dispute, the matter shall be referred to arbitration in accordance with the Arbitration Act of Kenya.

6.4.2 The arbitrator shall be appointed by mutual agreement of the parties or, failing such agreement, by the Chairperson of the Chartered Institute of Arbitrators (Kenya Branch).

6.4.3 The decision of the arbitrator shall be final and binding on all parties, subject only to the right of appeal as provided by law.

## **Section 6.5: Legal Action**

6.5.1 Legal action through the courts shall be pursued only as a last resort, after all other avenues for dispute resolution have been exhausted.

6.5.2 Any legal proceedings shall be filed in the courts of competent jurisdiction in Kenya.

## **ARTICLE VII: COMMUNICATION**

### **Section 7.1: Importance of Clear Communication**

7.1.1 The Sacco prioritizes open and transparent communication with its members on all matters relating to the Sacco's operations, financial performance, and upcoming events.

### **Section 7.2: Communication Channels**

7.2.1 The Sacco shall utilize the following communication channels:

- (a) Electronic Mail: All Members shall provide a valid email address during the application process, which shall serve as the primary channel for important communications.
- (b) Official Website: The Sacco shall maintain a website at [www.kmssacco.co.ke](http://www.kmssacco.co.ke), which shall provide access to:
  - (i) Loan application forms;
  - (ii) Savings account information;
  - (iii) Frequently Asked Questions;
  - (iv) Contact information; and
  - (v) Annual reports and financial statements.
- (c) Notice Board: A physical notice board shall be maintained at the Sacco's office for displaying important announcements.
- (d) General Meetings: The Sacco shall conduct general meetings as a forum for direct communication with Members.

7.2.2 Members are responsible for ensuring that their contact information is current and shall promptly notify the Sacco of any changes.

### **Section 7.3: Member Feedback**

7.3.1 The Sacco values Member feedback and shall provide multiple channels for Members to offer suggestions and raise concerns, including:

- (a) Electronic mail to designated Sacco officials;
- (b) Suggestion box at the Sacco's office; and
- (c) Open forum sessions during general meetings.

7.3.2 The Sacco shall acknowledge receipt of Member feedback within seven (7) days and provide substantive responses within a reasonable timeframe.

## **ARTICLE VIII: AMENDMENTS TO TERMS AND CONDITIONS**

### **Section 8.1: Authority to Amend**

8.1.1 The Board of Directors reserves the right to amend these Terms at any time, subject to the provisions of this Article.

### **Section 8.2: Amendment Process**

8.2.1 Proposed amendments to these Terms shall be:

- (a) Approved by a majority vote of the Board of Directors;
- (b) Communicated to all Members via electronic mail at least thirty (30) days before the effective date; and
- (c) Posted on the Sacco's official website.

8.2.2 The communication regarding amendments shall clearly outline:

- (a) The specific provisions being amended;
- (b) The nature of the amendments; and
- (c) The rationale for the amendments.

### **Section 8.3: Member Acceptance**

8.3.1 Members who continue to use the Sacco's services after the effective date of amendments shall be deemed to have accepted the changes.

8.3.2 Members who object to the amendments may:

- (a) Submit their objections in writing to the Board of Directors within fourteen (14) days of notification; or
- (b) Terminate their membership in accordance with the procedures outlined in these Terms.

## **ARTICLE IX: ADDITIONAL PROVISIONS**

### **Section 9.1: Compliance with Laws and Regulations**

9.1.1 The Sacco shall operate in strict compliance with:

- (a) The Constitution of Kenya;
- (b) The Sacco Societies Act and regulations thereunder;
- (c) Any directives issued by the Commissioner for Cooperative Development; and
- (d) All other applicable laws and regulations.

## **Section 9.2: Independent Audit**

9.2.1 The Sacco's financial statements shall be audited annually by an independent auditor appointed at the Annual General Meeting.

9.2.2 The audited financial statements shall be:

- (a) Presented to Members at the Annual General Meeting;
- (b) Filed with the relevant regulatory authorities; and
- (c) Made available to Members upon request.

## **Section 9.3: Data Protection and Privacy**

9.3.1 The Sacco shall collect, process, and store Member data in accordance with the Data Protection Act of Kenya and best practices in data protection.

9.3.2 Member data shall be:

- (a) Used only for legitimate Sacco purposes;
- (b) Protected from unauthorized access, use, or disclosure; and
- (c) Retained only for as long as necessary for the purposes for which it was collected.

## **Section 9.4: Anti-Money Laundering Compliance**

9.4.1 The Sacco shall implement and maintain policies and procedures designed to prevent money laundering and terrorist financing in compliance with applicable laws and regulations.

9.4.2 Members shall cooperate with the Sacco in its implementation of these policies and procedures, including by providing any information or documentation reasonably requested by the Sacco.

## **ARTICLE X: INTERPRETATION AND DEFINITIONS**

### **Section 10.1: Definitions**

10.1.1 In these Terms, unless the context otherwise requires:

- (a) "Board" or "Board of Directors" means the governing body of the Sacco elected by Members at the Annual General Meeting;
- (b) "Member" means an individual who has been admitted to membership of the Sacco in accordance with these Terms;
- (c) "Sacco" means KMS LIMITED, a financial cooperative registered under the laws of Kenya;
- (d) "Share Capital" means the one-time, non-refundable investment that each Member is required to make upon joining the Sacco;
- (e) "Terms" means these Terms and Conditions, as amended from time to time; and



(f) "Supervisory Committee" means the committee elected by Members at the Annual General Meeting to monitor the Sacco's financial activities.

## **Section 10.2: Interpretation**

10.2.1 In these Terms, unless the context otherwise requires:

- (a) Words importing the singular shall include the plural and vice versa;
- (b) Words importing the masculine gender shall include the feminine and neuter genders;
- (c) Headings are for convenience only and shall not affect the interpretation of these Terms;
- (d) References to Articles and Sections are to articles and sections of these Terms; and
- (e) References to days, months, and years are to calendar days, calendar months, and calendar years, respectively.

## **Section 10.3: Resolution of Ambiguities**

10.3.1 Any ambiguities or inconsistencies in these Terms shall be resolved by the Board of Directors, whose decision shall be final and binding.

## **ARTICLE XI: CONTACT INFORMATION**

### **Section 11.1: Official Contacts**

11.1.1 For any inquiries or concerns, Members may contact the Sacco through the following official channels:

- (a) Electronic Mail: [kms2022.sacco@gmail.com](mailto:kms2022.sacco@gmail.com)
- (b) Telephone: +254796611599
- (c) Website: [www.kmssacco.co.ke](http://www.kmssacco.co.ke)

### **Section 11.2: Changes to Contact Information**

11.2.1 The Sacco may change its contact information from time to time and shall notify Members of any such changes through appropriate communication channels.

IN WITNESS WHEREOF, these Terms have been duly adopted by the Board of Directors of the Sacco and shall be binding on all Members effective immediately.

*[END OF TERMS AND CONDITIONS]*