

A. CYTONN INVESTMENT COOPERATIVE SOCIETY LIMITED - BY LAWS

The relationship between the member and the Cytonn Investment Cooperative Society Limited is governed by the Cytonn Investments Coop' by- laws as well as the terms and conditions and subject to any further agreement in writing or by resolution(s) passed at the Annual General Meeting

I. Membership:

Membership shall consist of:

- a) Original members who signed the application for registration
- b) New members subsequently admitted in accordance with these by-laws

II. Qualification for membership:

A person who possesses the following qualification shall be eligible for membership:

- a) Is within the field of membership consisting of the following common bond;
 - i. An employee or former employee of Cytonn Investments Management Limited;
 - ii. Any employee or former employee of Cytonn Investment Co-operative Society Limited; and
 - iii. Any other person as may be approved by the Annual General Meeting provided that in the case of an individual person the applicant must not be less than 18 years

III. Application for membership:

Every applicant for membership shall complete an 'Application for Membership' form. This form shall be drawn to show all the information required for the purpose of registration of members. Attach a copy of the Identity card or passport, Pin certificate, and a passport size photograph. For Non Kenyan members, an Alien ID, pin certificate, and a passport size photograph shall suffice

IV. Admission into membership:

- a) An applicant shall be admitted to membership on application upon payment of an entrance fee of Kshs. 1,000/=and for such other minimum shares as shall be fixed by the General meeting from time to time.
- b) Upon admission the member's name shall be entered in the membership register and a membership number issued.
- c) The member shall sign or make a thumb mark in the register of members in the presence of two members of the committee to indicate his/her acceptance of the by-laws of the society.
- d) Members shall be admitted by the management committee.
- e) The member shall pay for a copy of the society's by-laws at its actual cost to the society and the same is available (free of charge) on the Society's website.

V. Refusal of admission:

The Management Committee may refuse admission to an applicant and after assigning reasons for their decision. Such a person, if otherwise eligible for membership, shall have the right to appeal to the Annual General Meeting.

VI. Rights to members:

A member of the society shall have the right to:

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

VII. Obligations of members

A member of the society shall have the obligation to:

- a) Observe and comply with all the society's by-laws and decisions taken by the relevant organs of the society;
- b) Buy and pay up for shares or make any other regular payments provided for in these By-laws;
- c) Meet the debts of the society in case of insolvency in accordance with the provisions of the Act and these by-laws.

VIII. Member's Personal Statement

A member may use standing orders or cash for payments of shares, deposits and loan repayments. However, when direct payments have to be made, they shall be paid directly into the society's bank account and a receipt issued by the society on submission of the bank slip.

Every member shall receive regular statements at least once every six months, which shall contain particulars of membership, shares, deposits and loan transactions with the society.

IX. Nominee:

Every member shall nominate in writing at least one person as nominee(s), provided that where a member nominates more than one (1) person that member shall apportion the percentage entitlement due to each nominee. The nomination shall be attested to by at least two (2) witnesses who are members of the society. The names of such nominee(s) shall be entered in the nominee register. Provided that a member shall have the right to change his/her nominee(s) in writing in the presence of two attesting witnesses who are members of the society.

X. Payment to nominee:

The society after obtaining such documentary proof of the death of a member as it may consider necessary, shall pay to the nominee the value of the deceased member's deposits, interest and dividend after deducting monies owed to the society, if any.

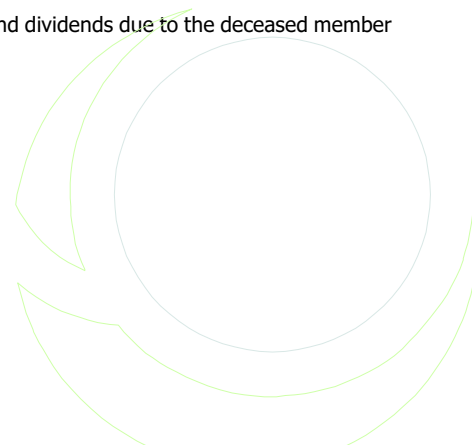
XI. Admission of nominee:

A nominee may be admitted to membership of the society if qualified. The shares, deposits, interest and dividends due to the deceased member shall be transferred to the account of that nominee.

XII. Cessation of membership:

Membership in the society shall cease with effect from the date of:

- a) Death
- b) Expulsion
- c) Transferring all shares to other members
- d) Ceasing to hold qualification for membership as specified in these by-laws



XIII. Payment on cessation of membership:

On cessation of membership, a person shall be refunded the following amounts:

- a) The deposits.
- b) Any dividends or interests due prior to the cessation date
- c) Any deposits or any other funds held by the society on his/her behalf.
- d) The nominal value of shares subject to the transfer fee provided that the committee has approved such a transfer

Partial withdrawal of deposits from the society shall not be allowed under any circumstance

XIV. Suspension:

The management committee may suspend a member subject to the decision of the general meeting to expel who:

- a) Fails to fulfil his/her obligations to the society whether stated in these by-laws, general internal regulations, a resolution of the general meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed,
- b) Is convicted in a court of law for a criminal offence involving dishonesty or fraud or is, imprisoned for a period of three months or more,
- c) Is a member of another society having similar objects in the same area of operation
- d) Acts in any manner prejudicial to the interests of the society.

Provided that, no member shall remain in suspension for a period of more than 12 months.

XV. Procedure of Suspension:

- a) Upon formal and written proof that a member has committed a violation punishable by expulsion, the management committee shall serve a thirty (30) days written notice to the member stating the reason(s) for the proposed expulsion and requiring him/her to file a defence.
- b) Upon the expiry of the 30 days and taking into consideration the member's defence if any, the management committee shall initiate an administrative inquiry and make a decision on its finding within fifteen (15) days

Any member suspended by the committee shall appeal to the next general meeting which shall have power to either lift the suspension or expel the member.

XVI. A member who is expelled from the society shall have the right to appeal to the tribunal

XVII. Shares:

Every member shall hold at least 150 shares of Ksh.20 each as shall be fixed by the General Meeting. However, no member shall hold more than one-fifth of the total shares of the society.

XVIII. Transfer of Shares:

- a) With the approval of the Management Committee, a member may at any time transfer shares to another member but not to any other person. Such transfers must be in writing and at nominal value.
- b) All transfers of shares shall be registered with the society and no transfer shall be valid unless so registered. A fee of Kshs.500 shall be payable by the transferee for each such transfer.

XIX. Liability:

- a) The liability of a member shall be limited to the nominal value of the shares held by him.
- b) In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by members; the funds shall be distributed pro-rata among the shareholders according to the amount of shares held by each.

XX. Elections:

- a) With every notice of the General Meeting convened in accordance with these by-laws, where elections will be held, the Management Committee shall notify the members of the vacancies arising in both the Management Committee and the Supervisory Committee.
- b) During elections, the Returning officer shall call for nominations from the floor. All nominations for any vacancy in the Management and Supervisory Committee shall be employees of Cytonn Investments Management Limited, or any of its affiliates. Each candidate must have a proposer and a seconder.
- c) 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.
- d) No member shall be entitled to vote by proxy.
- e) Irrespective of the number of shares held by him, no member shall have more than one vote.

Within fourteen (14) days of the elections, the Honorary Secretary shall forward to the Commissioner the names and addresses of all persons elected.

A new committee elected at the General Meeting shall not assume office unless they have satisfied the requirements of the Act, Rules and these by-laws as to the indemnity and ethics.

