



Kenya Coffee Traders Association

Certificate of registration no. 21314

CONSTITUTION

1. TITLE

The name of the Association shall be the Kenya Coffee Traders Association, hereinafter referred to as the Association.

2. REGISTERED OFFICE

The registered office of the Association will be situated in Nairobi.

3. OBJECTS

The Objects for which the Association is established are:

- a. to promote, protect and further the interests of those connected with, or interested in, the trading in and exportation of coffee, together with all its related services including but not restricted to warehousing, transportation, processing, auctioning (which business is hereinafter referred to as Trade), in the Republic of Kenya.
- b. to afford to members of the association facilities for cooperation in all matters affecting the Coffee Industry by acting as a forum for open discussion.
- c. to assist and advise the Statutory Bodies in the Republic of Kenya on all matters affecting the legislation and practice of the industry.
- d. to promote and establish in the Trade uniformity in commercial transactions and usage, and to settle, circulate and promote the adoption of equitable and convenient forms of contract and other instruments.
- e. to facilitate the settlement by arbitration of disputes arising out of transactions between members and between members and others, including the appointment of arbitrators and umpires, and to hear and decide appeals from such.
- f. to make and enforce in such manner as may be deemed convenient by-laws, rules and regulations as to the conduct of the Trade and conditions on which it is carried on, and for the regulation of transactions between members and between members and others.
- g. to deal with matters concerning the grading, condition and classification of Kenyan coffee and to take steps to encourage improvement in the preparation packing, marketing, warehousing, transport, grading and description of Kenyan coffee and to promote uniformity in the same.
- h. to assist in the promotion of Kenyan coffee and its industry on the international market.
- i. to cooperate or combine with other Associations and / or other bodies and Companies for the purpose of promoting any of the objects or purposes of the Association.
- j. to collect and circulate statistics and other information relating to the coffee industry.
- k. to insert in any newspaper or other publication any matter calculated on the opinion of the Association to further any of the objects of the Association.

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- l. to provide and collect from members funds for the purpose of carrying on, furthering or promoting the objects of the Association, and to invest the funds not immediately required into investments authorized by law or to place the same on deposit as may from time to time be determined by the Association.
- m. to borrow, raise or secure payment of any monies required for the purposes or objects of the Association on such terms and on such securities as the Association may determine.
- n. to purchase, lease, hire or otherwise acquire assets (including property) which may be deemed necessary for the purpose of the Association, and to sell, improve, manage, develop, lease, mortgage or otherwise deal with such assets.

It is hereby declared that the intention is that each of the objects specified in each paragraph of this Clause shall, unless where otherwise expressed in such paragraphs, be an independent main object and in no way limited or restricted by reference or by inference from the terms of any other paragraph or the name of the Association.

Provided that the Association shall not support with its funds, or endeavour to impose on or procure to be observed by its members or others any regulation, restriction or condition which, if an object of the Association, would make it a trade union or political association.

4. LIABILITY OF THE MEMBERS

Every member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up during the time he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required.

5. ASSETS OF THE ASSOCIATION

The income and property of the Association whencesoever derived shall be applied solely towards the promotion of the objects of the Association as set forth herein and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise, howsoever by way of profit to the members of the Association provided that nothing herein shall prevent the payment of remuneration to any officers or servant of the Association (whether or not members) or to any member or other person in return for services actually and duly rendered to the Association.

6. DISTRIBUTION OF THE ASSETS

If upon winding up or dissolution there remain, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall be disposed of in a manner approved by a Special Resolution of the members at a General Meeting convened for that purpose.

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7. MEMBERSHIP

- a. The Association shall be open to all persons, firms or bodies corporate engaged in the business of marketing agents, warehousemen, millers, auctioneers, transporters, exporters and / or related services.
- b. Every member of the Association shall conform to and be bound by the Rules of the Association for the time being in force, and shall be deemed to have entered into a covenant to that effect with each and every other member for the time being.
- c. There shall be two categories of members as follows, the criteria of which shall be stated in the Rules :
 - (i) Full Members – with voting rights
 - (ii) Associate Members – without voting rights
- d. Application Fees and Subscriptions shall be paid by members as provided in the Rules.
- e. Any member wishing to resign from the Association shall give written notice to that effect to the Secretary at or before the end of the financial year, failing which he shall be liable for the following year's subscription.
- f. The Management Committee may, by Special Resolution at a Management Committee meeting, terminate the membership of any member who :
 - (i) has failed to pay his subscription within the period specified in the Rules,
 - (ii) shall have acted willfully in contravention of the Rules,
 - (iii) in his conduct has rendered himself unfit in the opinion of the Management Committee to remain a member of the Association,
 - (iv) has been adjudged bankrupt, gone into liquidation or compounded with his creditors, or been found lunatic or become of unsound mind, and thereupon such person shall cease to be a member.

8. GENERAL MEETINGS

- a. A General Meeting of the Association shall be held at least once in every calendar year at such time (not being more than 15 months after the previous General Meeting) and place as may be determined by the Management Committee. Such General Meeting shall be called the “Annual General Meeting” and all other Meetings of the Association shall be called a “Special General Meeting”.

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- b. The Annual General Meeting shall be held in October of every year, or as soon thereafter as possible. The business transacted at the meeting shall be :
- (i) to approve the minutes of the preceding Annual General Meeting and of any Special General Meetings which may have been held since,
 - (ii) to receive the report of the outgoing Chairman,
 - (iii) to receive the Balance Sheet and Statement of Accounts for the preceding year, and the Budget for the ensuing year,
 - (iv) to elect a Chairman and a Vice-Chairman for the ensuing year,
 - (v) to elect six or more members of the Management Committee for the ensuing year as follows :
 - five (5) full members
 - one (1) associate member
 - any additional member, as may be determined by the meeting
 - (vi) to appoint auditors of the Association for the ensuing year,
 - (vii) any other business of which due notice shall have been given and with the approval of the Chairman.
- c. The Special General Meetings of the Association shall be convened as and when in the opinion of the Management Committee there is sufficient business to justify the calling of such a meeting. Provided that the Management Committee shall convene a Special General Meeting on a requisition of not less than ten (10) full members of the Association, specifying the purpose and matter to be dealt with at the Meeting. All business shall be deemed special that is transacted at an Annual General Meeting with the exception of the matters set out in clause 8b. hereof.
- d. Seven calendar days notice at the least in the case of the Special General Meeting at which no Special Resolution is proposed to be passed, and fourteen days notice at the least in the case of all Annual General Meetings and such Special General Meetings at which a Special Resolution is proposed to be passed, specifying the place, day and hour of the meeting and, in the case of special business, the general nature of that business shall be given to every member and the Auditor for the time being. No other persons shall be entitled to receive notices of General Meetings. The accidental omission to give notice of a meeting or to the non-receipt of a notice by a member shall not invalidate the proceedings of the Meeting.

9. PROCEEDINGS AT GENERAL MEETINGS

a. Chairman

At all General Meetings of the Association the Chairman, or in his absence, the Vice-Chairman, shall preside. If at any General Meeting both of such officers are still absent fifteen (15) minutes after the time appointed for holding the Meeting, the Members present shall choose one out of their number to be the Chairman of the Meeting.

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b. Quorum

No business shall be transacted at any General Meeting unless a quorum of Full Members is present at the time when the Meeting proceeds to do business. Save as herein otherwise provided, **two thirds** ($\frac{2}{3}$), of the current Full Members, present in person or by proxy, shall be a quorum. If within fifteen (15) minutes of the time appointed for the Meeting a quorum is not present, the

Meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the following week, at the same time and place, or to such other day subsequent there to and at such other time and place as the Management Committee may appoint. Notice of such adjourned Meeting (if the adjournment shall be for more than one week) shall be sent to all members by the Secretary within 48 hours of the adjournment. If at such adjourned Meeting a quorum is not present within fifteen (15) minutes from the time appointed for the Meeting, the Members present shall be a quorum.

10. VOTES OF MEMBERS

- a. Every Full Member of the Association, provided all monies due by him to the Association have been paid in full, shall have one vote.
- b. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands or secret ballot if requested by any Member before or immediately after the show of hands. In case of an equality of votes, the Chairman shall have a second or casting vote. A declaration by the Chairman that a resolution has been carried, or carried unanimously by a particular majority, or lost, and an entry to that effect made in the book of proceedings of the Association, shall be conclusive evidence of the fact without proof of the votes in favour of or against that resolution.
- c. In a case where Full Members are unable to be present at a General Meeting they may vote by proxy, but no Member may represent more than two Members by proxy at any Meeting. All proxies must be lodged with the Secretary not less than twenty-four (24) hours prior to the date and time of the Meeting for which they have been granted.
- d. The outcome of the voting shall be determined by a simple majority.

11. REPRESENTATION AT GENERAL MEETINGS

Representatives of all Member companies (both Full and Associate Members) may attend General Meetings of the Association PROVIDED that they are directors, employees or partners of such firms. Similarly, only directors, employees or partners of Full Members may be entitled to cast a vote or be eligible for election as a member of the Management Committee as provided in this constitution and the Rules.

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12. OFFICERS OF THE ASSOCIATION

- a. The Office bearers of the Association shall be
 - i. The Chairman
 - ii. The Vice-Chairman
 - iii. The Honorary Secretary
 - iv. The Treasurer

- b. The duties of the office bearers shall be :
 - a. The *Chairman* of the Association shall be elected at the Annual General Meeting each year and whose duties, amongst others, shall include presiding at all Meetings of the Association and of the Management Committee at which he shall be present.

 - b. The *Vice-Chairman* of the Association shall be elected at the Annual General Meeting each year and whose duties, amongst others, shall include presiding at all Meetings of the Association and of the Management Committee at which the Chairman is not present.

 - c. The *Honorary Secretary* shall be appointed by the Management Committee, may be removed by the Committee, and shall be under the direction of the Management Committee. The Honorary secretary shall oversee all correspondence of the Association. In the absence of the Executive Secretary he/she will issue notices convening meetings of the management committee and Annual General Meetings of the Association and shall be responsible for keeping all minutes of all such meetings and for preservation of all records of proceedings of the Association. The Honorary Secretary shall hold office for a maximum of two one-year terms after which he would not be re-appointed as Honorary Secretary for two years.

 - d. The *Treasurer* shall be appointed by the Management Committee for a maximum of two one-year terms after which he would not be re-appointed as Treasurer for two years. He/she shall oversee receipt and disbursement of moneys belonging to the Association and preserve records thereof. The treasurer is responsible to ensure that proper books of accounts of all moneys received and expended by the Association are written up, preserved and available for inspection.

- c. The Chairman and the Vice-Chairman shall constitute the Officers of the Association and shall commence office immediately after the close of the Annual General Meeting at which they came into office and shall remain in office until the close of the following Annual General Meeting.

- d. Only persons who are Full Members of the Association and who have been members of the Management Committee during the year preceding the Annual General Meeting at which they are proposed, are eligible for election as Chairman or Vice-Chairman.

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- e. Tenure of Office - the Chairman shall be elected for a maximum of two one-year terms after which he would not be eligible to stand for position of Chairman or Vice-Chairman of the Association for two years. The Vice-Chairman shall be elected for a maximum of two one-year terms after which he would not be eligible to be re-elected Vice-Chairman for a further two years.

13. EXECUTIVE SECRETARY

The Executive Secretary shall be appointed by the Management Committee to oversee daily operations of the Association for such term at such remuneration and upon such conditions as it may deem fit, and any Secretary so appointed may be removed by the Committee. The Secretary shall be under the direction of the Management Committee which may determine or define his duties from time to time.

14. . TRUSTEES

- a. There shall be Trustees who shall be stewards of the Association resources and shall be constituted by not less than five (5) and not more than ten (10) trustees who shall be members of the Association and shall be appointed at the Annual General Meeting for a period of one (1) year. On retirement such trustees shall be eligible for re-election. A general meeting shall have the power to remove any of the trustees and all vacancies occurring by removal, resignation or death, shall be filled at the same or next general meeting.
- b. The trustees functions shall be ;
 - i. Ensuring due diligence in the acquisition, security and disposal of Association assets in compliance with established procedures of the Association and upon approval in a duly constituted members meeting.
 - ii. Ensuring maintenance of sound financial management procedures.
 - iii. Ensure timely preparation and presentation of audited accounts and financial statements at the Annual General Meeting.
 - iv. Any other function that may be passed in a duly constituted members meeting.

15. MANAGEMENT COMMITTEE

- a. The business of the Association shall be managed and administered by the Management Committee. The Management Committee may exercise all such powers of the Association as are not, by legislation or by this Constitution, required to be exercised by the Association in General Meeting, subject nevertheless to the provisions of legislation to any regulations of this Constitution and to any regulations (not being inconsistent with the aforesaid regulations of provisions) prescribed by the Association in General Meeting, but no regulation made by the Association in General Meeting shall invalidate any prior act of the Management Committee which would have been valid if that regulation had not been made.

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- b. The Management Committee shall of the Association Chairman and Vice-Chairman and five (5) Full Members, one (1) Associate Member and any additional members who shall be elected at the Annual General Meeting, or at a Special General meeting duly convened for the purpose, (a minimum of four (4) of whom shall be coffee exporters). The Committee may co-opt additional members to the Managing Committee for promoting the objects and the interests of the Association. Subject to the provisions of Section 14 (h) herein, management committee members shall hold office from the date of their election until the next following Annual General Meeting when they shall retire from office and be eligible for re-election in the manner prescribed in the Rules.
- c. If at a meeting of the Management Committee the Chairman or Vice-Chairman is not present within ten minutes after the time appointed for holding the meeting, the Members present may choose one of their numbers to be Chairman of the meeting.
- d. Meetings of the Management Committee shall be convened as and when in the opinion of the Chairman there is sufficient business to justify the calling of such a meeting PROVIDED that the Management Committee shall meet not less than six (6) times during the course of the year.
- e. At all meetings of the Management Committee **not less than two third (2/3)** Members or their alternate/representative present in person, shall form a quorum.
- f. Without prejudice to the generality to sub-clause (a) of this clause, the Management Committee may exercise all the powers of the Association to borrow or spend money. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments drawn up or made by, and all receipt of monies paid to, the Association shall be signed, drawn, accepted, endorsed or otherwise executed in such a manner as the Members of the Management Committee may from time to time by resolution determine.
- g. The terms on which funds of the Association shall be deposited with banks shall be determined by the Management Committee.
- h. A member of the management committee shall cease to be a member of the committee if the firm he represents has had their membership terminated under Section 7 of this constitution or if he ceases to be a director, employee or partner of the member firm he represents.
 - (i) However, the member firm may, with the consent of the management committee, nominate another director, employee, or partner of the member firm to continue with the tenure of such member, until the coming AGM
 - (ii) the management committee may, until the coming AGM, fill a vacant management committee position by co-opting an eligible member of the Association.

PROVIDED THAT:

Kenya Coffee Traders Association

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if the post of the chairman falls vacant, the vice chairman shall take over until the coming AGM, unless disqualified under Sections 7 *or* 14 of this constitution

if the posts of both the chairman and vice chairman fall vacant, their replacement/s will be determined in accordance with the proviso in Section 14 h (ii) above.

- i. Where a vacancy has been created by cessation of membership as in Section 14 h above, the management committee shall have such vacancy filled in the next management committee meeting or as soon thereafter as possible.
- j. Each member of the Management Committee (with the exception of the Chairman and Vice-Chairman) will be empowered to appoint an alternate/representative who shall be able to attend such meetings of the Management Committee as the elected member is unable to attend.

16. STANDING AND AD HOC COMMITTEES

- a. The Management Committee may appoint from amongst its members or from the general body of Full and Associate Members Standing or Ad hoc Committees for watching over and promoting the interests of Members in connection with particular objects. The Officers of the Association shall be ex-officio Members on all such Committees. The Management Committee may delegate to such Committee such of its powers as may be considered necessary for the performance of its duties and each Committee shall submit a report to the Management Committee for approval.
- b. Members from the general body of Full and Associate Members may create organized groups - herein referred to as Chapters - to pursue specific functions or interests in connection with particular objects related to their sub-category in the value chain. The Chapter shall be governed by a semi-autonomous sub-committee of not more than five persons. The Officers of the Association shall be ex-officio Members. The appointed Chairman of the Chapter sub-committee shall be co-opted to the Association Management Committee.

17. ACCOUNTS AND AUDIT

The Management Committee shall be responsible for keeping true accounts of the sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Association and of the properties, credits and liabilities of the Association.

The books of accounts shall be kept at the Registered Office of the Association and once in every year the accounts shall be examined and the correctness of the same and of the balance sheet ascertained and certified by a properly qualified auditor. The books of account and all necessary information and documents shall always be made available for scrutiny by the auditor. The auditor shall not be an office bearer or member of the Association.

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18. THE SEAL

The Seal of the Association shall not be affixed to any instrument except by the authority of a resolution of the Management Committee and in the presence of two members of the Management Committee or one member of the Management Committee and the Executive Secretary, and such persons shall sign every instrument to which the Seal is affixed in their presence, PROVIDED that in the case of an award in arbitration proceedings no prior resolution of the Management Committee shall be necessary and the Seal shall be affixed to the award by the Secretary.

19. RULES

Subject to the provisions of the Constitution, the Management Committee may at any time make, appeal, vary or amend Rules for regulating membership, application fees, elections, subscriptions, expulsion and suspension of Members, termination of membership, matters to be excluded from debate at all meetings, procedure at meetings, election and rotation of Members of the Management Committee, Standing Committee or any other Ad Hoc Committee, arbitration, conditions of trading and public sales, any other matter not regulated by or inconsistent with this Constitution, voting on every occasion to be by a simple majority of Members present.

20. AMENDMENTS TO THE CONSTITUTION

Amendments to the constitution of the association must be approved by at least two thirds majority of the full members at a general meeting of the association. They cannot however be implemented without prior consent in writing of the Registrar, obtained upon application to him made in writing and signed by three of the office bearers.

20. DISSOLUTION

- (a) The association shall not be dissolved except by a resolution passed at a general meeting of members by a vote of two thirds majority of the full members. The quorum at the meeting shall be as shown in clause 9 (b) of this constitution. If quorum is obtained, the proposal to dissolve the association shall be submitted to a further general meeting, which shall be held one month later. Notice of this meeting shall be given to all members of the society at least fourteen days before the date of the meeting. The quorum, for this second meeting shall be the number of members present.
- (b) Provided, however, that no dissolution shall be affected without prior permission in writing of the Registrar, obtained upon application to him made in writing and signed by three of the office bearers.
- (c) When the dissolution of the association has been approved by the Registrar, no further action shall be taken by the committee or any office bearer of the association other than to get in and

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liquidate for cash all the assets of the association, in such other manner as may be resolved by the meeting at which the resolution by the meeting, at which the resolution for the dissolution, is passed.

21. INSPECTION OF ACCOUNTS AND LIST OF MEMBERS

The books of accounts and all documents relating thereto and a list of the members of the society shall be available for inspection at the registered office of the society by any officer or member of the association on giving not less than seven days notice in writing to the association.

22. INDEMNITY

Every member of the Management Committee or other officer or servant of the Association shall be indemnified by the Association against all costs, losses and expenses which he may incur or become liable to by reason of any act or thing done by him as such in discharge of his duties, unless the same happen through his own willful negligence, default, breach of duty or breach of trust.

Date: 19.11.2018