



# **PHAPHAMANI MASWATI SAVINGS & CREDIT COOPERATIVE SOCIETY LIMITED**

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## **BOARD ELECTION & VETTING POLICY 2026**

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## **1. INTRODUCTION**

Phaphamani Maswati Savings & Credit Cooperative Society Limited (“Phaphamani SACCO”) is committed to ensuring good governance in the SACCO and commits to provide members with an opportunity to participate freely in choosing leaders through an organised democratic process. This Board Election & Vetting Policy (“*Election Policy*”) has been developed to serve as a guideline on the manner in which nominations, vetting and elections will be conducted with clear objects so that:

- a) the SACCO conducts credible elections at all times based on the best practices of good governance.
- b) the SACCO gets leaders who are “fit and proper”, competent, and possess the right values and virtues to move the Society forward.
- c) members express their democratic rights in the most transparent manner and that the leaders always represent the aspirations and the dynamics of the members.

### **1.1 Objective**

To maintain credibility in the elections and vetting processes by streamlining the processes and ensuring that transparency and fairness is achieved.

### **1.2 Scope**

The policy shall provide guidelines for election of members into the Board and committees, during the Annual General Meeting (AGM) or Special General Meeting (SGM). Vetting and nominating shall apply to all members who have applied to fill the vacancies in the Board.

### **1.3 Policy Guide**

The following shall form the basis guidelines to the application and enforcement:

- a) The Co-operatives Societies Act, 2003
- b) SACCO By-laws
- c) Board Charter
- d) FSRA Fit and Proper Guidelines, 2014

- e) FSRA Act, 2010
- f) Any other prevailing law as may be applicable in any prevailing circumstances.

## **2. MEMBER EDUCATION ON VACANT BOARD POSITIONS**

The Board, through the Education Committee, shall conduct various exercises to sensitise members on upcoming elections. Board vacancies shall be advertised or publicised, inviting members who would be interested in filling the Board positions. This process shall include educating the members on the requirements for each position and committee, and the eligibility to be nominated, vetted and to stand for election. After proper sensitisation of members about the vacancies, the SACCO shall invite interested members to make submissions to the vetting and nominations committee by filling in a form. Where necessary and prior to the AGM, through the various means of communications utilised by the SACCO, there shall be information sessions for those members who are considering their names to be placed in nomination as candidates.

### **2.1 Membership and the AGM**

The members of Phaphamani SACCO are the body to whom the Board is accountable. Accordingly, membership is highly important and have the right to vote on all matters which fall for decision making at the AGM, and any SGM.

### **2.2 Board of Directors**

The Board shall be the governing body of the SACCO elected from the members and shall consist of at least five (5) members and not more than thirteen (13) members, including the Supervisory Committee. Members of the Board shall hold office for a period of two (2) years provided that; one-half of the board members shall step down, but be eligible for re-election after a lapse of one (1) term. Where the membership of the board falls below 5, the Board shall co-opt qualified members into the Board until the next General Meeting.

### 3. ELIGIBILITY FOR BOARD MEMBERSHIP

- 3.1 Must have been an active member of the SACCO for at least the past five (5) consecutive years preceding the election year with up to date savings and loans accounts.
- 3.2 A former Board member who resigned from SACCO membership and later re-joined the SACCO shall not be eligible to stand for election to the Board until a minimum period of **twelve (12) years** has elapsed from the date of re-joining the SACCO, regardless of the length of time between resignation and re-joining. This requirement is intended to preserve leadership continuity, institutional memory, and the governance culture of the SACCO. In assessing eligibility, the Vetting and Nominations Committee shall also take into account the member's previous conduct, leadership behaviour, and adherence to cooperative values during their previous term on the Board.
- 3.3 In assessing eligibility for Board membership, the Vetting and Nominations Committee shall consider whether a candidate has previously demonstrated active participation, commitment, and meaningful contribution to Board work. Members who consistently failed to participate, contribute, or discharge their responsibilities effectively during a previous Board term may be deemed unsuitable for election.
- 3.4 The SACCO shall conduct Board performance assessments in accordance with its governance framework and approved performance evaluation mechanisms. Where applicable, the outcomes of such assessments may be considered by the Vetting and Nominations Committee when determining a member's suitability to stand for election to the Board.
- 3.5 Must be at least twenty-one (21) years of age and hold the required minimum shareholding as per the By-laws.
- 3.6 Does not receive any remuneration, salary or other payments from the SACCO save in accordance with the Board Charter.
- 3.7 Must have attained a minimum professional qualification of a Diploma or its equivalent from a recognised institution. The competency and industry experience requirements for each Board member, and more specifically the Chairperson and Treasurer shall be in line with *Appendix C* of the Fit and Proper Guideline on the *Minimum Competency Requirements and Minimum Experience for Key Functionaries* and Section 3.8 of

the SACCO Guidelines on *Fitness and Probity of Board Members and Senior Management*.

- 3.8 Being a member of the SACCO, must not conduct a business which is in direct competition with the core SACCO business, i.e. moneylending.
- 3.9 Elected officials shall be required to undergo a “*fit and proper*” within twenty-one (21) days and sign the necessary documentation in line with the Board Charter within the specified period.
- 3.10 Must be of a sound mind, not be listed as a defaulter (failed to satisfy debt, or owes the SACCO) and must not have been declared bankrupt, and must not be a person against whom any amount of money is due under a decree, decision, or order pending recovery under the Consumer Credit Act, 2016.
- 3.11 Must not have, at any time, been convicted of any dishonesty, criminal offence in any jurisdiction, been censured, disciplined, warned as to future conduct, or publicly criticised by any authority or professional body.
- 3.12 Must be in good financial standing with the SACCO and other recognised financial institutions. A nominee shall not be in arrears, default, or under any repayment arrangement for loans or obligations at the time of nomination and vetting.
- 3.13 Must not have been associated in their capacity as a director, shareholder or manager to any investigation, in any country, by a government department or agency, professional association or regulatory body, or previously voted out by two thirds of the SACCO members present and voting at any General Meeting before.
- 3.14 Must not have been dismissed from any office or employment or been subject to disciplinary proceedings by an employer or barred from entry to any profession or occupation.

#### **4. VETTING AND NOMINATIONS COMMITTEE**

The Board shall appoint a Vetting and Nominations Committee (“*the Committee*”), constituted as per this Policy and Board Charter as an ad-hoc committee, to vet and clear prospective candidates for elections. The Committee shall receive and sign “*Terms of Reference*” of how its objective and purpose of this exercise will be accomplished. The Committee shall comprise of three (3) members as follows, with the Manager as an ex-officio:

- a) A representative from the Education Committee to be the Chairperson of the Committee.
- b) A representative from the Credit Committee.
- c) The SACCO Manager or a competent representative who will be the Secretary to the Committee.

Where the Committee is to make a decision through voting, a simple majority of members shall decide.

#### **4.1 Mandate**

The Committee shall be responsible for verifying, vetting and clearing candidates for Board member positions for elections. Powers and responsibilities shall include:

- a) To receive nomination applications from all prospective candidates together with all the required supporting documents in the format prescribed by the Committee.
- b) To ensure that the candidates are in compliance with the requirements for the positions so vied for as stipulated in this policy, By-laws, Board Charter, Fit and proper Guideline, Cooperative Societies Act and any other relevant laws.
- c) To produce any other information or document that may be required to facilitate the process.
- d) To compile and submit a comprehensive report on the nomination and vetting process to the Board.

The Committee shall confirm whether a nominee previously served on the Board, resigned from SACCO membership, and later re-joined the SACCO. Where applicable, the Committee shall verify that a minimum period of twelve (12) years has elapsed from the nominee's date of re-joining the SACCO before clearing the nominee to stand for election. In such cases, the Committee shall also obtain written input from the Chairperson of the Board in office at the time of the nominee's previous service and from the SACCO Manager, limited to matters of conduct, participation, leadership engagement, and adherence to cooperative values. This input shall form part of the vetting record and shall be used to support an objective assessment of the nominee's suitability for Board service.

#### **4.2 Nomination Application**

- a) The Committee shall prescribe the format of the application form which the member shall fill in when applying to stand for elections. At minimum this form shall contain all relevant personal and professional details, including the position they are vying for and other information to help determine their fitness and probity status.
- b) Before the name of a member is placed in nomination as a candidate for election as a Board member, the member shall provide written declaration (through the application form), stating the he/she is willing:
  - i. to stand for election, and if elected or appointed, to serve as a Board member;
  - ii. to observe the provisions of the *Cooperative Societies Act, the FSRA Act & SACCO Guidelines*, and any other applicable laws and SACCO policies;
  - iii. to comply with the Code of Conduct and Ethics for Board members contained in the Board Charter, as adopted by the Board of Directors from time to time; and
  - iv. to observe the Internal Rules and Regulations of the SACCO and the procedures relating to the election and conduct of Board members contained therein.
  - v. The nominee shall declare whether they have previously served on the Board and, if applicable, provide the date of re-joining the SACCO after resignation from membership, to allow the Committee to confirm compliance with clause 3.2.

#### **4.3 Nomination Process**

- a) The nomination process shall commence not later than 31 July.
- b) The Committee shall notify all members of the SACCO that an election of the Board is to take place during the upcoming AGM, specifying the number of positions at that time required to be filled.

- c) It shall give notice of fourteen (14) days to receive application documents from members, in such form or forms to be prescribed by the Committee from time to time, including all crucial documents to be attached.
- d) It shall further advise all members that for the purpose of being eligible to vote in the election, a person must be a member in good standing and must have met the requirements to vote as per the By-laws.
- e) The Board, through the Education Committee, shall embark on an education exercise to sensitise the membership in line with Section2 of this Policy.
- f) All members interested in getting elected into the SACCO Board shall apply through filling in the forms and forward all documents (in sealed envelopes) to the office for vetting by the Committee.
- g) The applicant shall acknowledge submission of the documents by appending his/her signature in the nomination register. Similarly, a representative of the SACCO office shall acknowledge receipt of the same.
- h) **Minimum required documents**  
Prospective candidates shall submit the following documents addressed to the Chairperson of the vetting Committee:
  - i. Duly filled nomination/application form.
  - ii. Certified copy of National Identity Card.
  - iii. Curriculum vitae.
  - iv. Certified copies of academic and professional certificates.
- i) Upon acknowledgement of receipt of such documents, the office shall make a register and put an official stamp, with the applicant retaining a copy of any official received form.
- j) The documents shall be kept safely in the SACCO.
- k) All applications received by the office shall be forwarded to the Committee within two (2) days after the end of the 14 day notice.
- l) Upon receiving the applications, the office shall register the applicants' details in a nomination register. At minimum, the register shall have the following details; Name of applicant, member number, ID Number, Member signature, date and time.

- m) The SACCO office shall also provide the Committee with statements of the candidates for the preceding twelve (12) months, detailing their financial standing with the SACCO.
- n) **Vetting of applicants**. Vetting shall serve as a process of performing background checks on members before nominating them to stand for election.
- o) The Committee, having determined the vetting criteria for Board members and the respective committees, shall then carry out vetting to ensure that the candidates meet the requirements as per this policy, and legislation on Section 1.3 of this Policy, and give its report to the Board, not less than seven (7) working days to after receipt of applications.
- p) Vetting criteria will be based, at minimum, on internally generated rules, the Board Charter, and the fit and proper guideline. The fit and proper test exists to protect the interests of members.
- q) The Committee shall specifically confirm compliance with clause 3.2 for any former Board member who resigned from SACCO membership and later re-joined the SACCO. Where the nominee does not meet clause 3.2, the nominee shall be disqualified from that election cycle and the decision shall be recorded.
- r) The Committee shall communicate in writing to the applicants (whether successful or not) within 14 days of receipt of applications. Any reasons for disqualification shall be clearly spelt out in the communication.
- s) A listing of all qualifying candidates shall be published on the official SACCO notice boards at the end of every stage of the nomination exercise.
- t) Nominated members shall be provided with copies of rules with respect to the conduct of the election.
- u) Where a candidate is cleared to run for Board membership on the basis of a provisional document, the Committee shall follow up and ensure that the authentic document is produced with ten (10) days from the date the application is considered, else the nomination shall be cancelled.
- v) **Appeals**. All appeals will be received in the SACCO office within three (3) days after the nominating committee results have been communicated to the members.

- w) Where a member is not satisfied with the verdict from the Committee after appeal, the member shall have a right to appeal to the regional Office of the Commissioner of Cooperatives.

## **5. CAMPAIGNING FOR BOARD MEMBERSHIP**

- 5.1** Subject to all applicable laws, the Board of Directors of the SACCO 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 and must not campaign in any prohibited method and manner.
- 5.2** 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/her behalf.
- 5.3** Notwithstanding Rule (b) 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 any property where any premises or facilities of the SACCO are situated, except in the method and manner permitted pursuant to these Rules and any regulations as may be determined by the Board.
- 5.4** 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 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.
- 5.5** No candidate shall interfere with the election process or seek assistance in connection with the election from any employee of the SACCO or the Elections Officer.
- 5.6** Consequently, each candidate shall be given a maximum of 2 minutes before voting commences, to sell themselves in front of members regarding the positive impact he/she will bring through the position he/she is vying for. This candidate should articulate the strategic changes that will revive the Society. An absent candidate shall be permitted to submit a video to be played during the 2 minute slot, to enable election in absentia.

5.7 If any candidate violates any of these Rules, the Committee may disqualify the candidate and its determination shall be final, non-appealable and binding. In the event of a violation of these Rules, the Board may also remove a candidate as Director pursuant to the Cooperative Societies Act and/or SACCO By-laws.

## 6. **THE BOARD ELECTIONS**

### 6.1 **Identification of voters**

- a) The office shall identify all members eligible to vote, which shall be in line with shareholding requirements for the various types of member shareholders eligible to vote.
- b) A register of members shall be availed and checked against all voters.

### 6.2 **Elections officer**

The Board, through the Nominations Committee, shall appoint an Elections Officer who shall be responsible for conducting the elections and announcing the winners. He/she shall have powers to disqualify candidates proved to be engaged in election misconduct. He/she shall organise the materials to be used in the election process to ensure that it is conducted efficiently.

### 6.3 **Election Date and Mode**

Election of the Board shall be conducted during an AGM. Election shall be by secret ballot:-

- a) In an event where a Board member is removed or leaves before expiry of his tenure, appointment/election shall be held in accordance to the provisions of the Cooperative Societies Act and SACCO By-laws
- b) A candidate eligible for election in the Board can be elected in absentia in the event there are justifiable circumstances for his/her absence.
- c) During elections, the Elections Officer shall present duly nominated candidates for the vacant positions. Each candidate must have a proposer and a seconder.
- d) **Voting**. No member shall be entitled to vote by proxy (voting on behalf of another member).

- e) Irrespective of the number of shares held, no member shall have more than one vote.
- f) **Results.** Election results shall be announced immediately after voting and ensure that an official record of such results is made.
- g) The Elections officer shall, within one (1) business day submit the election results to the office as may be applicable.
- h) A notice of the election or appointment of a member as a Board member of the SACCO shall be filed with the Commissioner's Office and the FSRA in accordance with all applicable laws. Appointments shall apply to key Board positions such as those of the Chairperson and Treasurer in line with the Fit and Proper Guideline.

#### **6.4 Election Offences**

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 Committee, would have otherwise led to the automatic disqualification of the candidate.
- c) Vote buying, bribery and disorderliness before and during elections.
- d) Interference with another member's rights to secrecy of the ballot.
- e) Compelling, intimidating or forcing a person to vote or support a particular candidate.
- f) Impersonating or attempting to impersonate someone in an election process.

Any election misconduct shall be dealt with by the Committee as per the applicable laws and election guidelines, and shall lead to automatic disqualification.

#### **6.5 Election Disputes and Appeals**

Any complaint or dispute about a candidate's eligibility (including eligibility under clause 3.2) shall be raised in writing to the Vetting and Nominations Committee **before voting takes place**. A candidate who is found not to meet the eligibility criteria shall not appear on the final ballot.

- a) All election related disputes or petitions shall be in writing and addressed to the regional representative in the Office of the Commissioner of Cooperatives within two (2) calendar days.
- b) The regional Cooperatives office shall settle all disputes relating to elections within a period specified by its own guidelines after a complaint has been lodged. The SACCO does not have control or influence over this.

**7. POLICY REVIEW**

The Board shall review the Election Policy every two (2) years to ensure that it is up to date and remains effective in line with set objectives. Any amendments shall be discussed and recommended in line with prevailing legislation. The Board shall also consider any triggering events which will require alignment through immediate review and reissuance of the Policy.

<b>Date of Last Update</b>	<b>Date of Next Planned Update</b>	<b>Completed by (signature)</b>

## 8. ADOPTION & DECLARATION

This document was discussed and approved for implementation as Phaphamani SACCO's Board Election Policy. I acknowledge that I have read and understood and endeavour to meet the standards and rules required herein.

<b>Name</b>	<b>Designation</b>	<b>Signature</b>	<b>Date</b>
SIBANYONI NHLANHLA	<b>Chairman</b>		
KUNENE CELUCOLO	<b>Vice Chairman</b>		
DLAMINI MANENEKAZI	<b>Secretary</b>		
GAMEDZE MPENDULO	<b>Treasurer</b>		
MOTSA NEL'SIWE	<b>Manager</b>		