



CONSTITUTION FOR ZWIPI SAVINGS STOKVEL

1. Name

The name of the stokvel is Zwipi Savings Stokvel (**Stokvel**).

2. Aims and Objectives

- a. The Stokvel is a savings stokvel.
- b. The Stokvel shall have a 3-year life span officially starting 1 April 2025 and ending 31 March 2028, as may be extended by a majority vote of the Stokvel Members (the **Term**).
- c. The Stokvel will raise funds through a combination of:
 - i. Stokvel Member contributions and fees;
 - ii. Interest on loans that the Stokvel will make to Stokvel Members, from time to time; and
 - iii. Interest earned on contributions in the Stokvel's bank account(s).
- d. All funds raised by the Stokvel during the Term, other than the Withdrawn Benefits (as defined below), must only be used to:
 - i. incorporate a black-owned mutual bank (**Mutual Bank**);
 - ii. fund the Mutual Bank's capital reserves as prescribed by the terms of the Mutual Banks Act 124 of 1993; and
 - iii. fund the Mutual Bank's initial operational requirements.

3. Prohibition of incurrence of Debt

The Stokvel shall not incur any debt or incur any other liability during the Term, whether through borrowings, the issue or granting of guarantees, sureties or indemnities or otherwise.

4. **Loans**

- a. This paragraph dealing with the provision of loans, shall only take effect from the date that the Stokvel has 100 Members.
- b. The Stokvel may only make loans to those of its Members who:
 - i. have been members of the Stokvel for at least 4 months; and
 - ii. are in good standing (as defined below).
- c. All loans made by the Stokvel to Members shall be authorised by the Executive Committee.
- d. The maximum amount of any loan made to a Member shall be 25% of that Member's total contributions to the Stokvel as at the date that the Member applies for a loan.
- e. No Member may have more than 1 loan from the Stokvel outstanding at any time, and no Member may take out more than 2 loans during the Term.
- f. Any loan made to a Member will attract interest at a rate of 1% above the prime rate of interest generally levied by First National Bank at the date that such loan is approved by the Executive Committee. Interest shall be calculated in arrears on a NACM (nominal annual compounded monthly) basis.
- g. Each loan must be paid in full no later than three months after the date on which it is granted, together with all interest that has accrued on that loan up to the date of such payment.

5. **Distributable Income**

50% of all interest earned in any calendar year (or part thereof) during the Term other than in 2028 (**Distributable Income**) shall be distributed proportionately to all Members. Such distribution must be made no later than 15 February in the next calendar year.

6. **Withdrawals**

- a. At the end of the Term, and immediately prior to incorporation of the Mutual Bank, the Stokvel Executive will issue to each eligible Stokvel Member (i.e., a Member whose contributions have been paid in full as at that date) (**Eligible Member**) a written notice requesting such Eligible Members to decide whether to:
 - i. withdraw their respective Benefits; or
 - ii. invest their respective Benefits in the Mutual Bank,(the **Election**).

- b. In the Stokvel Executive’s notice referred to in paragraph a, the Stokvel Executive will provide to the Stokvel Members:
 - i. a timeframe (of no less than 30 days) within which an Eligible Member must make his or her Election, failing which the Eligible Member will be deemed to have Elected to invest his or her Benefits in the Mutual Bank; and
 - ii. an indication of the percentage interest that the Stokvel Member will hold in the Mutual Bank upon incorporation (on the assumption that all Eligible Members will invest their Benefits in the Mutual Bank).

7. **Membership**

- a. The Stokvel Membership is limited to 1500 Stokvel Members.
- b. Members must supply the Stokvel with their personal details (ID numbers and residential addresses) and FICA documentation upon request.
- c. Members must abide by the Stokvel Constitution and any code of conduct or other rules passed by the Stokvel in terms of the Constitution.
- d. Should a Member pass away, his or her family members will not automatically become members of the Stokvel.
- e. Members of the Stokvel are locked-in for the Term.
- f. No person under 18 years of age will be allowed to be a Member. However, if someone under the age of 18 wishes to participate in the Stokvel, their parents/ guardians may hold that person’s interest on their behalf.

8. **Stokvel Executive Committee**

The Executive Committee will consist of no more than 7 Members, certain of whom shall fill the following positions:

- a. Chairperson, whose responsibilities are to:
 - i. lead the Stokvel;
 - ii. prepare the agenda for Stokvel meetings;
 - iii. make sure that the Constitution and rules issued under the Constitution are followed by the Stokvel Members;
 - iv. with the consent of other Executive Members mandated to co-approve withdrawals and transfers, approve withdrawals and/or transfers from the Stokvel bank account(s);
 - v. explore opportunities that would enrich the Stokvel and its members, such as personal finance and personal development presentations – in each instance subject to availability of budget.

- b. Deputy Chairperson, whose responsibilities are to:
 - i. assist the Chairperson in undertaking his/her duties;
 - ii. fill in if the Chairperson is unavailable;
 - iii. develop appropriate plans for the realization of the Stokvel's objectives for consideration and approval by the Executive Committee; and
 - iv. represent the Stokvel at meetings and forums, as agreed with by the Chairperson.

- c. Treasurer, whose responsibilities are to:
 - i. keep an accurate account of the Stokvel's finances, and upon request present copies of Stokvel financial records, including (where required) deposits, EFTs and payments received, or made, by the Stokvel;
 - ii. with the consent of other Executive Members mandated to co-approve withdrawals and transfers, approve withdrawals and/or transfers from the Stokvel bank account(s); and
 - iii. keep up to date financials for the Stokvel and of Member contributions.

- d. Secretary, whose responsibilities are to:
 - i. keep an accurate record of the Stokvel's activities, including minutes, correspondence and the Stokvel Membership register;
 - ii. maintain communication to make sure that all Members are informed of all activities of the Stokvel;
 - iii. with the consent of other Executive Members mandated to co-approve withdrawals and transfers, approve withdrawals and/or transfers from the Stokvel bank account(s).

- e. Operations and Marketing Lead, whose responsibilities are to:
 - i. oversee the day-to-day administrative and operational functions of the Stokvel; and
 - ii. drive the marketing and growth of the Stokvel's membership base through *inter alia* road shows, presentations to trade unions, industry associations, body corporates, religious organisations and other appropriate representative bodies.

9. **Payments to the Operations and Marketing Lead**

None of the Stokvel Executive will receive payment for services rendered to the Stokvel, other than the Operations and Marketing Lead who will receive R25.00 per month from each Member's contributions with effect from the date that the Stokvel has 100 or more members, and for as long as the Stokvel has 100 or more members.

10. Change of Leadership

- a. During the Term, changes to the leadership of the Stokvel may only be made if, at any time during the Term, a Stokvel Executive Member resigns or the Stokvel Executive, at a Stokvel Executive meeting, removes a Stokvel Member because he/she:
 - i. commits theft, fraud or forgery in relation to the Stokvel's funds; and/or
 - ii. is removed from an office of trust due to dishonesty; and/or
 - iii. has been declared insolvent; and/or
 - iv. is criminally convicted and/or imprisoned; and/or
 - v. is in breach of the Stokvel Constitution.
- b. Any changes in the Stokvel Executive contemplated in paragraph 10a must be communicated to the Members no less than 30 days after the Stokvel Executive resigns or (as applicable) the meeting at which such changes were agreed by the Stokvel Executive.

11. Resolutions

- a. Each Member in good standing shall have one vote. For purposes of the Constitution, "good standing" means, as at any date, that the relevant Member's contributions have been paid in full.
- b. A resolution of the Stokvel passes by a simple majority vote (i.e., a vote by one more than half of the Members present at a meeting).
- c. A resolution of the Stokvel can only pass in a physical or electronic meeting of the Stokvel at which no less than two thirds of the Stokvel Members personally take part or participate through a representative (**proxy vote**). The representative must provide a copy of his or her authorisation to serve as a representative to a member of the Executive Committee prior to attending the relevant meeting.

12. Meetings

- a. There will be quarterly meetings held for the Stokvel.
- b. In addition, an Annual General Meeting (**AGM**) will be called by the Executive Committee of the Stokvel.
- c. Non-Members will not be allowed to sit in AGM, unless invited into that meeting by the Executive Committee.
- d. Special meetings will be called, when necessary, by the Executive Committee.

13. **Contributions**

- a. Members must, upon joining the Stokvel, elect if they wish to hold Gold or Platinum membership status in the Stokvel. If a Member fails to make such selection, that Member will be deemed to have elected to hold Gold membership status.
- b. Each Member holding Gold membership status will contribute an amount of R250 per month, while each Member holding Platinum membership status will contribute an amount of R350 per month. Irrespective of the type of membership held, all Member contributions must be made by direct deposit, EFT or transfer (as applicable) no later than the last day of the month starting from the month in which the Member joins the Stokvel.
- c. If a Member does not pay his or her monthly contributions for a period of three consecutive months or for four months in any twelve month period, that Member will:
 - i. be deemed to have withdrawn his/her contributions;
 - ii. no longer be an Eligible Member; and
 - iii. not be required to make an Election.
- d. The Member referred to in paragraph 13c will have his or her benefits paid to them at the end of the life of the Stokvel.

14. **Joining Fee**

Each new joining Member will pay a joining fee of R350 upon joining the Stokvel.

15. **Benefits**

- a. Members holding:
 - i. Platinum membership status will be entitled to funeral cover as set out in the Funeral Cover Insurance Policy set out by the designated Policy Underwriter.
 - ii. Gold membership status will be entitled to funeral cover of as set out in the Funeral Cover Insurance Policy set out by the designated Policy Underwriter,

in each instance, with effect from the date on which they become members.

- b. A Member's Benefits, as at any date, are that Member's:
 - i. contributions to the Stokvel; plus
 - ii. proportion of distributable income in the Stokvel; less
 - iii. proportion of any expenses, debt and/or losses incurred by the Stokvel,in each instance, as at that date.
- c. For purposes of this paragraph 15, a Member's proportion of expenses or proportion of distributable income as at any date means the percentage of those expenses payable by or the percentage of distributable income payable to that Member (as applicable) calculated by dividing:
 - i. that Member's contributions up to that date; by
 - ii. all Members' contributions up to that date.
- d. Each Member's Benefits will be invested by the Executive Committee into the Mutual Bank, and the Member will be allocated an interest in the Mutual Bank. Benefits will only be paid directly to those Members who have advised the Executive Committee at the end of the life of the Stokvel that they do not want to hold an interest in the Mutual Bank in terms of paragraph 4 and such other Members who, in terms of the Constitution, are deemed to have Withdrawn Benefits.

16. Beneficiaries

- a. If a Member passes away, any money they are owed will be transferred to their estate.
- b. The laws that govern how a deceased estate is wound up will govern this process.

17. Use of the name Zwipi

It is recorded that the name ZWIPI is owned by ZWIPI Financial Services and that the Stokvel is licensed to use part of this name in its name.

18. Code of Conduct

- a. No Member will use the name of the Stokvel for personal business purposes or personal gain.
- b. Each Member will be expected to conduct him or herself in a socially acceptable manner at the Stokvel meetings and in accordance with this Constitution and the code of conduct adopted by the Stokvel, from time to time.

19. **Stokvel Closure**

- a. If the Stokvel closes at or prior to the end of the Term, any extra funds and assets of the Stokvel will be shared amongst Members proportionately.
- b. Liability and debts will also be shared among the Members proportionately.

20. **Exit of Member**

- a. The Stokvel shall cease to exist on the earlier of:
 - i. at the end of the Term; and
 - ii. the date on which all have the Benefits have been transferred to the Members or the Mutual Bank.
- b. Members may exit the Stokvel during the Term when they wish; however, their Benefits will only be paid out at the end of the Term. These Members will be deemed to be Members who have Withdrawn Benefits.

21. **Behavior of Members**

- a. Each Member must respect each other Member, regardless of their background, beliefs, or differences, and treat them with courtesy.
- b. Each Member shall respect all matters discussed in meetings of Members or the Executive Committee with confidentiality.
- c. Each Members must, in their interaction with each other, refrain from:
 - i. Bullying;
 - ii. Harassment; and
 - iii. Unethical behavior.
- d. Each Member undertakes not to share confidential information about opportunities that the Stokvel is pursuing with third parties or to use such information for his/her or any third party's personal gain.

22. **Breach of Constitution**

If a Member fails to abide by the Constitution or any code of conduct under the Constitution, then he/she will be removed from the Stokvel, and his or her Benefits will be paid at the end of the Term. This Member will be deemed to be a Member who has Withdrawn Benefits

By continued contribution to the Stokvel, you accept this Constitution and the Stokvel's code of conduct.