

## CONSTITUTION OF FRANCO ACADEMY STOKVEL

### 1. Interpretation

In this Constitution –

- 1.1. a reference to an “**article**” by number refers to the corresponding article in this Constitution;
- 1.2. a reference to “**business days**” means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa;
- 1.3. unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day;
- 1.4. if the due date for performance of any obligation in terms of this Constitution is a day which is not a business day then (unless otherwise stipulated) the due date for performance of the relevant obligation shall be the next succeeding business day;
- 1.5. the following words shall have the meanings ascribed to them hereunder unless the context indicates otherwise –
  - 1.5.1. “**Accounts**” means any bank account or investment account held by the Stokvel and includes any accounts held by/with Third-Party Service Providers, on behalf of the Stokvel;
  - 1.5.2. “**App**” means the web, mobile or tablet application used by Members to *inter alia* register, specify and potentially make Contributions, choose Funds, Financial Services and maintain bank and contact information;
  - 1.5.3. “**Constitution**” means this governing document;
  - 1.5.4. “**Contributions**” means the monetary contributions paid by Members to the Stokvel as contemplated in **article 4**;
  - 1.5.5. “**Distributed Earnings**” means a portion of the surplus interest or distributions from certain Accounts that is distributed to certain qualifying Members on a periodic basis.
  - 1.5.6. “**ECTA**” means the Electronic Communications and Transactions Act, No. 25 of 2002, as amended from time to time;
  - 1.5.7. “**Financial Services**” means investment, insurance, credit products or any other financial services that the Governing Body may deem beneficial to Members’ interests;
  - 1.5.8. “**Funds**” means investment funds made available to Members by Third-Party Service Providers and includes any Products made available to Members any Third-Party Service Providers;
  - 1.5.9. “**Governing Body**” means the governing body of the Stokvel nominated and appointed by Members, the rights and duties in respect of which are specified in **article 7**;
  - 1.5.10. “**Investment Allocations**” means the proportion of a Member’s Contribution to be allocated to the respective Funds and/or Financial Services as specified by a Member;

- 1.5.11. **“Law”** means any law of general application and includes the common law and any statute, constitution, decree, treaty, regulation, directive, ordinance, by-law, order or any other enactment of legislative measure of government (including local and provincial government) statutory or regulatory body which has the force of law;
- 1.5.12. **“Member”** means a registered member of the Stokvel with either a positive investment balance in 1 (one) or more of the Funds and/or who has elected to participate in 1 (one) or more Financial Service;
- 1.5.13. **“Member’s Bank Account”** means the bank account nominated and verified by a Member for the payment of Withdrawal Amounts as specified in **article 5**.
- 1.5.14. **“NAV”** means the net asset value of the Stokvel, being the total of all Contributions held in the Accounts for the benefit of Members, including Distributed Earnings thereon, less any liabilities owed by the Stokvel;
- 1.5.15. **“Ordinary Resolution”** means an ordinary resolution of Members as specified in **article 6.6**;
- 1.5.16. **“Portfolio”** means the total of a Member’s share of the NAV;
- 1.5.17. **“Platform”** means the App and Website;
- 1.5.18. **“Products”** means any financial products, including any alternative investments products, made available to Members by any Third-Party Service Providers;
- 1.5.19. **“Stokvel”** means the Franc Academy Stokvel governed by this Constitution;
- 1.5.20. **“Stokvel Email Address”** means the Stokvel email address to which Members can submit any queries or propose any resolutions, being **stokvel-academy@franc.app**;
- 1.5.21. **“Terms and Conditions”** means the terms and conditions of use of the Platform;
- 1.5.22. **“Third-Party Service Providers”** means any third-party service providers who have been appointed by the Governing Body to assist the Governing Body with the governance of the Stokvel and/or provision of any Funds and/or Financial Services;
- 1.5.23. **“Website”** means the website used by Members to obtain information about and/or access the Platform, and situated at **franc.app**; and
- 1.5.24. **“Withdrawal Amounts”** means any part of the Portfolio withdrawn by a Member pursuant to **article 5**.

## 2. Purpose

The purpose of the Stokvel is to provide a community through which Members can enhance their financial literacy and access leading Funds and/or additional Financial Services.

## 3. Members

- 3.1. To become a Member of the Stokvel a person must be using the Platform-

- 3.1.1. agree to be bound by this Constitution and Terms and Conditions, and through which Members will (as necessary) supply the Governing Body with, his or her –
  - 3.1.1.1. full name and surname (as it appears on his or her identity document or passport);
  - 3.1.1.2. national identity or passport number;
  - 3.1.1.3. proof of identity;
  - 3.1.1.4. email address;
  - 3.1.1.5. contact number;
  - 3.1.1.6. proof of residence; and
  - 3.1.1.7. banking details;
- 3.1.2. specify their Contribution;
- 3.1.3. specify their Investment Allocations; and/or
- 3.1.4. elect to participate in any other Financial Services.

#### **4. Contributions**

- 4.1. Members are responsible for their investment profile and the associated allocation of Contributions to Funds and/or selecting what other Financial Services they choose to utilise through the Platform.
- 4.2. Members can make periodic or lump sum Contributions, once-off or ad hoc, by depositing monies into the Account.
- 4.3. Subject to any Law, Contributions will be transferred to the Funds nominated by the Members, or to any Third-Party Service Providers as appointed by the Governing Body, to provide any Services to the Stokvel, as timeously as possible but also subject to the transaction processing times of the underlying Funds and/or Third-Party Service Providers.
- 4.4. Contributions shall be credited to that Member's Portfolio on the day that they reflect in the applicable Funds or Financial Service (as applicable).
- 4.5. Contributions shall form part of the NAV
- 4.6. Members can view Contributions, Distributed Earnings, Portfolio balances and Portfolio transactions at any time via the Platform.
- 4.7. In the event that the Platform cannot be accessed or cannot provide the information as specified in **article 4.6**, Members will be entitled to request, via email to the Stokvel Email Address, such information which will be made available to a Member, no later than 14 (fourteen) days after any such request.

#### **5. Withdrawal**

- 5.1. A Member can request Withdrawal Amounts from any Fund or Financial Service (where applicable), via the Platform.
- 5.2. A Withdrawal Amount will be paid via electronic funds transfer to the Member's Bank Account as timeously as possible subject to the transaction processing times of the Funds, Financial Service or any other restrictions imposed on the Portfolio.

#### **6. Resolutions**

- 6.1. Members shall be entitled to submit resolutions relating to the governance of the Stokvel (including any amendments to this Constitution) via email to the Stokvel Email Address.
- 6.2. Members shall be contacted electronically by the Governing Body, by email, to vote on matters arising.

- 6.3. Notwithstanding any interpretation that may be given to the provisions of ECTA, each Member hereby –
  - 6.3.1. consents to receive communications from the Governing Body via the Platform, email or other electronic means;
  - 6.3.2. acknowledges that such communications shall be deemed to have been validly delivered to them; and
  - 6.3.3. acknowledges that the resolutions passed by the Members, collectively, in the manner prescribed thereby shall be valid and binding upon them.
- 6.4. In order for a Members' resolution to be considered, at least 25% (twenty five percent) of the Members must have confirmed receipt of the resolution (evidenced by a delivery receipt having been received by the Governing Body) to be considered. The time periods for quorum establishment and voting procedures shall be determined by the Governing Body on a case by case basis, in the interests of the Members.
- 6.5. Each Member shall have one vote in respect of any proposed resolution.
- 6.6. An Ordinary Resolution requires 50% + 1 of the total votes exercised to be passed failing which the proposed resolution will lapse.

## **7. Governing Body**

- 7.1. The Governing Body shall be comprised of a –
  - 7.1.1. Chairperson;
  - 7.1.2. Secretary; and
  - 7.1.3. Treasurer.
- 7.2. The Governing Body is responsible for the administration and oversight of the Stokvel and must ensure compliance with the provisions of the Constitution by Members.
- 7.3. The Governing Body shall be entitled to –
  - 7.3.1. determine services to be offered to Members via the Platform, communicate technical specifications to Platform developers, negotiate commercial terms and conclude any arm's length agreements with Third-Party Service Providers for the use of the Platform and/or provision of services by/to Members;
  - 7.3.2. investigate new Financial Services for the Members;
  - 7.3.3. remove any Member who fails to comply with the provisions of the Constitution, and Terms and Conditions after which the removed Member's Portfolio will be paid to that Member subject to any conditions as contained herein;
  - 7.3.4. restructure the Stokvel so as to comply with any Law and/or operational requirements; and
  - 7.3.5. wind-up the affairs of the Stokvel should the Governing Body, in its discretion, deem it necessary to do so pursuant to the payment of the balances of the Members' respective Portfolios to Members subject to any conditions as contained herein .
- 7.4. The Governing Body shall be entitled to appoint Third-Party Service Providers in order to fulfil any of its obligations as specified herein.
- 7.5. Any material decision as affected by the Governing Body in accordance with this **article 7** shall be communicated to Members, who shall be entitled to provide comment in respect thereof.
- 7.6. The Chairperson –

- 7.6.1. must ensure compliance with the Constitution by the Members;
- 7.6.2. must see to the overall performance by the other Governing Body members of their obligations in terms of this Constitution; and
- 7.6.3. shall have powers of authorisation alongside the Secretary and the Treasurer in respect of the Accounts and other matters relating to the management and administration of the Stokvel.
- 7.7. The Secretary –
  - 7.7.1. must keep an accurate record of the Stokvel's activities, correspondence and membership register;
  - 7.7.2. must maintain communication with Members to promote a transparent and accountable administration by the Governing Body;
  - 7.7.3. shall facilitate resolution distribution, quorum determination and vote counting; and
  - 7.7.4. shall have powers of authorisation alongside the Chairman and the Treasurer in respect of the Accounts and other matters relating to the management and administration of the Stokvel.
- 7.8. The Treasurer shall have powers of authorisation alongside the Chairman and the Secretary in respect of the Accounts and other matters relating to the management and administration of the Stokvel.
- 7.9. Each Member shall have the right to nominate one person (including him or herself) for election as a member of the Governing Body subject to such nominee being an existing Member of the Stokvel.
- 7.10. A resolution to appoint a nominee to the Governing Body requires 66% + 1 of the total votes exercised to be passed, failing which the proposed nomination will lapse.
- 7.11. A resolution to remove a member of the Governing Body requires 66% + 1 of the total votes exercised to be passed, failing which the proposed removal will lapse.
- 7.12. Pursuant to the removal of any Governing Body member for any reason whatsoever, such removed member endeavours to reasonably cooperate with the existing Governing Body members and/or the new Governing Body members so as to ensure as smooth a transition as possible.

## **8. Signing Powers**

- 8.1. Any decision of the Governing Body shall be approved by written authorisation of any 2(two) Governing Body members.
- 8.2. The Governing Body shall be entitled to authorise any signing powers in respect of the Accounts to any Member tasked with administrative duties and/or any Third-Party Service Provider.

## **9. Financial Services**

Any proposed removal of any Financial Service (other than pursuant to such Financial Service becoming inoperable or pursuant to Law) offered to Members shall be subject to approval by way of Ordinary Resolution.

## **10. Amendments**

- 10.1. Any proposed amendments to this Constitution shall be subject to the following:
  - 10.1.1. Any non-material amendment to this Constitution, shall require the written authorisation of any 2(two) Governing Body members; and
  - 10.1.2. Any material (amendments which seek to change the purpose for which the Stokvel was established) amendment to this Constitution shall require a resolution of Members requiring 66% + 1 of the total votes exercised to be passed failing which the proposed amendment will lapse.
- 11. Winding-up**
  - 11.1. In the event that the Stokvel has to be wound-up or restructured pursuant to **article 7.3.5**, and which results in a move away from the stokvel model; so as to continue to fulfil the purpose for the Members in their best interests, the Governing Body shall be authorised to affect any such changes on behalf of the Members.
  - 11.2. In the event that the Stokvel's affairs are wound-up (other than in terms of **article 11.1**), for whatsoever reason, any surplus monies held in the Accounts will be shared amongst Members proportionally to each Member's share of the NAV.
  - 11.3. It is recorded that the NAV shall first be applied to the settlement of any and all outstanding debts or liabilities of the Stokvel before the NAV can be distributed to Members as contemplated above.