

# Stokvel Constitution

This constitution has been drafted and published by Canvas Capital Pty(ltd) as a set of fundamental principles according to which any stokvel facilitated the company are governed. Together, these principles define the stokvel group premise. This document is a set of guidelines that each Stokvel group may abide by.

Canvas Capital is a private company registered in South Africa. It is not a credit facilitator, but a fund manager for the stokvels it facilitates.

Stokvel Name:

.....

## 1. Aims and Objectives

The aim of this stokvel is to pool funds for the following purpose:

- To rotationally purchasing artwork for members
- To promote artistic and cultural development

## 2. Membership

- Members will supply the Stokvel with their personal details (ID number, date of birth and residential address)
- Members consent to a credit check prior to approval into a stokvel to mitigate default risks.
- Members must abide by the stokvel constitution.
- Should a member pass away, the rights of their artwork remain with them (see clause: Artwork Rights) However, their family members do not automatically inherit their membership.

## 3. Stokvel cycle

- A stokvel cycle is calculated as 12 months
- Members agree to commit to a complete a stokvel cycle

## 4. Membership termination

- Members can only terminate their membership once the stokvel cycle ends.
- Once a membership is terminated, no previously contributed funds will be reimbursed to the member.
- The artwork rotation of remaining members will continue unaffected.



- Shall a member terminate their membership prior to fulfilling all their payments they will not incur any termination fees, except:
  - They will not be reimbursed any previous funds
  - Any artwork acquired within the cycle will be repossessed
  - Repossessed artworks may be resold or reallocated within the stokvel at Canvas Capital's discretion.
  - They will be liable for the shipping and handling costs related to artwork repossession.

#### 5. Forceful termination

- If a member defaults on 3 payments without making alternative arrangements, Canvas Capital reserves the right to terminate their membership.
- Any artwork acquired during the cycle will be repossessed.
- Members in default may apply for reinstatement by settling outstanding payments and penalties within 30 days of termination

#### 6. Artwork rights

- Canvas Capital purchases all artworks, and ownership rights remain with Canvas Capital Pty (Ltd) until members fulfil all required contributions (12 months).
- Upon completion of payments, full ownership rights are transferred to the member at no additional cost.

#### 7. Membership fees

The fees exclude VAT

- Joining fee: R0.00
- Membership premium: 12% of total annual contributions
- Fund management fee: 3% of total annual contributions
- These fees are included in the annual contributions to ensure no additional payments are required. There is an option to pay the fees upfront.

#### 8. Artwork budget

- The artwork budget is calculated as follows
  - Total Annual Contributions (100%) - Membership Premium (12%) - Fund Management Fee (3%) = Total Artwork Budget (85%)
- Members can purchase artworks up to 85% of their total annual contributions
- Members may choose to pay membership fees upfront, allowing them to purchase artworks up to 100% of their contributions.
- Members must spend at least 90% of their artwork budget.
- Any unspent funds, up to 10% of total value, will be reimbursed to members at the end of the stokvel cycle.
- Should a member's total artwork(s) value be under 90% of their artwork budget, only 10% of the total budget will be reimbursed



## 9. Stokvel Executive Committee

The executive committee will consist of the following positions:

- Chairperson, whose responsibilities are:
  - a. To lead and prepare the agenda for meetings.
  - b. Make sure rules are followed.
  - c. Approve money withdrawal with other executive members.
  - d. Maintain communication to make sure all members are informed of all activities of the group.
  
- Secretary, whose responsibilities are:
  - e. Keep an accurate record of the group's activities, inventory of artworks purchased as well as facilitate the stokvel cycle.
  - f. Have signing powers with the chairperson and treasurer.
  
- Treasurer, whose responsibilities are:
  - g. Facilitate the management of the fund.
  - h. Keep an accurate account of all the group's finances and present copies of all the deposit slips.
  - i. Have signing powers with the chairperson and the secretary.
  
- Canvas Capital will Chair all stokvels registered under it.
- The stokvel reserves the right to appoint their own Secretary and Treasurer
- Should a stokvel not appoint a committee, Canvas Capital will assume any unfulfilled roles.

## 10. Meetings

- Members can put in a request for a meeting whenever necessary.
- At least one-third of members must be present for a meeting.
- Members must be present to vote. Absent members may submit proxy votes in advance.
- Special meetings may be called by the executive committee.
- Non-members will not be allowed to sit in entire meetings, unless invited by the executive committee.

## 11. Contributions

- Each member will contribute an amount of R..... per every month.
- Members consent to setting up monthly debit orders with their bank.
- Any payments that are defaulted by members will be penalised on the owed funds as follows:
  - 1 month non-payment: 5% penalty
  - 2 month non-payment: 10% penalty



- 3 month non-payment: 20% penalty / The fund manager reserves the right to terminate the member's membership (see clause: Membership termination)
- The penalties are paid to Canvas Capital Pty(ltd)

## 12. Benefits

- Member benefits will be agreed upon by the members and the executive committee.
- Benefits as well as methods of distribution may be amended from time to time.
- Alterations to benefits will be agreed upon by way of group vote (see clause: Meetings)

## 13. Beneficiaries

- If a member passes away, any money they are owed will go to their estate.(see clause: Membership)

## 14. Code of conducts

- No member will use the name of the Stokvel or Canvas Capital for personal business purposes or personal gain.
- Each member will be expected to conduct him or herself in a socially acceptable manner at the meetings.
- Each member is obligated to abide by this Constitution

## 15. Banking

- Members agree to setting up a monthly debit order for their contributions.
- Signing powers will be held by the Executive Committee nominated by the Stokvel. (see clause: executive Committee)

## 16. Stokvel Closure

- At the end of the stokvel cycle, members can decide to close the stokvel.

## 17. Change of Constitution

- The votes of two thirds of all the members of the Stokvel are required to change its constitution. (see clause: Meetings)
- Changes in the constitution must be announced 60 days prior to the meeting.

## 18. Liability Disclaimer



- Canvas Capital acts solely as a fund manager and not as a financial advisor or credit provider.
- Canvas Capital is not responsible for any financial losses incurred from individual art investments.

Declaration

I, ..... hereby accept the constitution of.....(name of Stokvel group) signed at .....on this .....day of .....20.....

Signature.....

Full Name and Surname.....

ID Number.....

