Investment Club Name Goes Here

# Aims and Objectives

Members of the investment club aim to invest collectively in a single portfolio of JSE-listed shares with the objective of generating both capital gains and dividends to maximise the total value of the portfolio and the ultimate return to investment club members.

# Membership

Members will supply the investment club with a copy of their ID, proof of residence and a completed membership registration form.

Members must agree to the terms and conditions of this constitution in order to participate.

The total membership of the investment club shall be limited to a maximum of ten natural persons.

Should a member pass away, his or her family members will not automatically become members of the club.

# Executive Committee

The executive committee consists of three executive members – the chairperson, the treasurer and the secretary.

Executive members are elected by members by voting the units which they hold, or commit to hold in the investment club once it is formed.

Once the investment club is formed, members vote their units in the election of this committee. Each unit represents one vote.

The responsibilities of the executive committee are as follows:

## CHAIRPERSON

1. To notify all members of the time and venue of meetings in good time.
2. To formulate an agenda for meetings.
3. To chair the meetings and ensure orderly conduct at meetings.
4. To allow time at meetings for the views of individual members to be properly expressed on any resolution.
5. To conduct, with the assistance of the secretary, a vote by show of hands on any resolutions after allowing sufficient discussion.
6. To exercise a casting vote if the meeting is deadlocked by a tied vote.
7. To act as a signatory on the chequing account and stockbroking account together with the secretary and/or treasurer.

## TREASURER

1. Executing purchases and sales of shares on the stockbroking account in accordance with the decisions of the members voting their units at a properly constituted meeting.
2. Ensuring that all transactions of the investment club which appear in the stockbroking and banking account are properly and timeously recorded in the investment club software.
3. Ensuring that the investment software agrees with both the bank account and the stockbroking account at all times.
4. Presenting to each investment club meeting, as the first order of business, the state of the investment club portfolio and bank account and demonstrating that they agree with the investment club software.
5. To ensure that the unit value of the investment club portfolio is a correct reflection of the shares and cash held in the portfolio plus the cash held in the stockbroking account and the bank account.
6. To act as a signatory on the bank account together with the secretary and/or chairperson.

## SECRETARY

1. Managing and recording registrations and de-registrations of members.
2. To circulate all members with details of any meeting of the investment club.
3. To conduct the vote at any meeting and count the number of votes in favour and against any resolution.
4. To record and type up minutes of every meeting ensuring that all decisions taken are properly recorded in the minutes.
5. To circulate the minutes to all members timeously.
6. Ensure that the requirements of this constitution are followed by all members of the investment club.
7. To maintain an up-to-date register on the investment club software of all members together with their contact details and addresses.
8. To act as signatory on the bank account and stockbroking account together with the chairperson and/or the treasurer.

# Change of the Executive Members

Members can change the executive members with a majority vote at any properly constituted investment club meeting.

Possible changes to the executive members structure must be announced to the membership by the secretary 30 days prior to the investment club meeting at which a vote on this issue is to be conducted.

# Investment Club Units

Each unit owned by a member on the day of a properly constituted meeting counts as one vote in their hands.

A resolution can be passed by simple majority of units – 50% of the total issued units plus one unit.

A member may obtain or buy units by paying money directly into the investment club bank account.

Units will then be allocated by the treasurer to that member on the next trading day by dividing the amount paid by him/her by the unit value of that day or the next trading day.

A trading day is defined as a day on which the Johannesburg Stock Exchange is trading.

A member may sell his/her units by informing one of the executive members of his/her desire to do so.

Voting may be electronic or by show of hands.

# Meetings

The investment club name will be chosen or confirmed by the members at the first meeting of the investment club.

The regularity and venue of meetings must be decided by investment club members voting their units provided that meetings must be held at last once every two calendar months.

A minimum of half of the members plus any two of the executive members will constitute the quorum for any meeting.

Non-members will not be allowed to attend meetings, unless invited by an executive member.

Special meetings may be called when necessary by members of the executive committee.

The first item of business at any meeting will be a demonstration by the treasurer that the current stockbroking portfolio and bank account agree with the investment club software.

Meetings will include a discussion of the share portfolio to make decisions about the purchase, sale and holding of shares.

All members must be permitted to voice their opinions before any vote is taken on the constituents of the investment club portfolio or any other matter.

# Beneficiaries

If a member passes away, the committee will pay any money due to them to their deceased estate within 30 days.

# Code of Conduct

No member will use the name of the investment club 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.

Members may not reveal or discuss the contents of the investment club portfolio to any non-member except with the prior approval of the members obtained by vote and recorded in the minutes of a properly constituted meeting.

Members must dress in a socially acceptable manner.

# Meeting Attendance

If a member is unable to attend a meeting for whatever reason, he or she must notify an executive member.

Attendance at meetings is not compulsory, but members must attend at least half of the meetings in any calendar year.

At least two executive members must be present at every meeting.

# Bank and Stockbroking Accounts

Contributions to the investment club can be made by any member by direct deposit into the investment club bank account.

Signing power of the bank account will be held by 2 persons elected as executive members by the members at a properly constituted meeting by voting their units.

The executive committee must ensure that at least 90% of the funds from the buying of units are paid across from the bank account into the stockbroking account and that funds necessary for buying back of units are returned to the banking account and paid out to investment club members wishing to sell their units.

The executive committee must have electronic access to the stockbroking account enabling the execution of transactions and withdrawal of funds when agreed to by the investment club.

# Portfolio

The initial purchase of units will take place at 100c per unit by founding members.

Thereafter units will be bought and sold at the unit price of the trading day on which the transaction occurs.

The procedure for buying and selling of shares may take place at meetings or by direct notification of an executive member.

If there is insufficient cash in the investment club portfolio to buy back the units of a member wishing to sell out of his/her units, then the investment club must decide on the number and type of shares to sell in the portfolio in order to generate sufficient cash.

# Closure of Investment Club

In the event that the investment club closes, all shares held in the investment club portfolio will be sold and all costs paid.

The final unit value of the investment club units will be determined by dividing the amount so generated by the number of units in issue.

Each member will then be paid the value of the units in their possession at the final unit value

# Change of Constitution

The votes of two thirds of all the members of the investment club at a properly constituted meeting are required to change this constitution.

Potential changes in the constitution must be announced to the entire membership of the investment club at least 60 days prior to the meeting at which the matter is to be discussed and decided.

**Declaration**

I, ................................................................................. hereby accept the constitution of

*Investment Club Name*.

Signed at ......................................................on this ..........day of .......................20......

................................................... ...................................................

Signature Full Name and Surname

**Declaration**

I, ................................................................................. hereby accept the constitution of

*Investment Club Name*.

Signed at ......................................................on this ..........day of .......................20......

................................................... ...................................................

Signature Full Name and Surname

**Declaration**

I, ................................................................................. hereby accept the constitution of

*Investment Club Name*.

Signed at ......................................................on this ..........day of .......................20......

................................................... ...................................................

Signature Full Name and Surname