

23.1.97

P.E. CO-OPERATIVE DEVELOPMENT TRUST (PECDT)

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23 January 1997

Mr W Sisulu

FAX 011 - 011 3360120

PUBLIC MEETING LAUNCH : PECDT : 2 FEBRUARY 1997

On behalf of the Committee responsible for the formation and launch of the above Trust, we thank you for accepting our invitation.

For the convenience of your input as reflected in the attached programme we are sending you the following -

- (a) Constitution of the Trust (10 pages)
- (b) Programme of 2 February 1997 launch (1 page)

We trust that these documents will assist you in your input and help you to understand the nature and objectives of our Co-operative Trust.

We would appreciate it if your office can send us details of your travel and other requirements timeously.

Once again, thank you for accepting and we are looking forward to seeing and meeting you with great anticipation.

My telephone number is 041-554484 and fax number is 041-560946

Yours sincerely

N C Faku
N C FAKU
CO-ORDINATOR

FAX TO: Mr. W. Sisulu
COMPANY: _____ PAGE: 12 OF: 12
FAX NO: 011-3360120 DATE: 22.01.97
FROM: N. C. Faku
COMPANY: _____ PHONE NO: 506326712
FAX NO: 560946 **Post-It** FAX PAD 7551

PECDT LAUNCH PROGRAMME**02 - 02 - 1997*****FIRST SESSION : Chairperson S Mtongana*****11:00****Arrival of Guests****Choir will lead with a song as guests are seated**

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|-----------------|--|
| 10 Mins. | Opening prayer : Rev D M Soga |
| 15 Mins. | Introduction and welcoming of guests :
Cde D Hatto |
| 20 Mins. | Official opening speech : Cde R Mhlaba |
| 15 Mins. | Background to the Co-operative : Cde S
Mtongana |
| 15 Mins. | Input from ECDT : Dr T Mbengashe |
| 30 Mins. | Briefing on the Co-operative Constitution :
Cde N Faku |
| 30 Mins. | Membership comments on the briefing and
voting for the Constitution |
| 10 Mins. | Words of encouragement : Cd W Sisulu |

**Nominations and Elections of Board and Management -
IMSA****Lunch break and Cultural Items*****SECOND SESSION : Chairperson (woman)*****14:15**

- | | |
|-----------------|---|
| 30 Mins. | National efforts and attempts to address
the plight of former combatants:
Cdes A Kathradar and R Kasrils |
|-----------------|---|

- | | |
|-----------------|----------------------------------|
| 15 Mins. | Five questions of clarity |
|-----------------|----------------------------------|

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| 10 Mins. | Vote of Thanks : Z Sikhundla |
|-----------------|-------------------------------------|

16:30

- | | |
|-------------------------|--|
| 20 Mins. (17:00) | Wayforward and closure :
Recording Secretary and Cde
N C Faku |
|-------------------------|--|

Cultural items will be performed in between Programmed Items.

CONSTITUTION OF THE PORT ELIZABETH CO-OPERATIVE DEVELOPMENT TRUST

A. PREAMBLE

This constitution reflects the response of the subscribers hereto to the plight of former combatants in the area of the Port Elizabeth Metropole. The Port Elizabeth Co-operative Development Trust will become an efficient and effective organisation for the reintegration of its membership into society, with a particular focus on the employment of its members and the establishment of new businesses.

("Former combatant" shall mean a person who spent time in prison or in exile because of his or her opposition to the former apartheid regime.)

B. MISSION STATEMENT

For more than three centuries Black people of South Africa, have had their intellectual ability, culture and indeed their humanity undermined and suppressed by the assumed superiority of colonial moralities.

Freedom lovers and democratic people of our country made noble sacrifices in resisting this foreign domination, to struggle for retention of our culture, and to achieve the new democratic South Africa emerging from the 1994 democratic elections.

Having regard to the number of difficult years that have been spent in combat and the many developmental opportunities that have been denied and missed, and also having regard to all the political achievements our country is making, and the difficulties our government is facing, we, the subscribers to this constitution accept:

- that it is our collective responsibility to assist each former combatant to regain self-esteem,
- to redirect our energies to improve our quality of life,
- to assist the government in the implementation of the Reconstruction and Development Programme, and
- to be part of the economic front to complete our mission.

C. GENERAL TERMS AND CONDITIONS

1. In terms of this constitution a voluntary organisation is established to be known as Port Elizabeth Co-operative Development Trust ("PECDT").

2. **Objectives of the PECDT**

2.1 To promote self-reliance amongst its members.

2.2 To promote unity of purpose amongst disadvantaged former combatants.

2.3 To assist and support members in establishing profitable business projects.

2.4 To establish profitable projects for the benefit of PECDT and its members.

2.5 To enhance and develop business skills potential amongst members.

2.6 To restore self-pride and opportunities for self realisation amongst members.

2.7 To promote the optimal use of the assets of the PECDT in achieving its objectives.

3. **Membership**

3.1 There shall be the following categories of membership:

3.1.1 Unemployed former combatant (which shall be open to former combatants who are unemployed and have no source of income)

3.1.2 Self-employed former combatant (which shall be open to former combatants who are not engaged in formal employment or in the operation of an established business but who nevertheless have a source of income)

3.1.3 Employed former combatant (which shall be open to former combatants who are either formally employed or who operate a formally established business)

The decision of the Board of Trustees regarding into which category applicants for membership fall, shall be final and not open to question.

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- 3.2** Any former combatant, irrespective of race, gender, belief or political affiliation, who completes an application form and who pays the subscription due in terms of 3.3 in respect of the category applied for (or in the case of dispute, to which he has been allocated by the Board) shall be entitled to be registered as a member.
- 3.3** Membership fees shall be as follows :
- 3.3.1** Un-employed former combatant - one quarter of the full amount e.g. R5,00 per month
- 3.3.2** Self-employed former combatant - half of the full amount e.g. R10,00 per month
- 3.3.3** Employed former combatant - full amount e.g. R20,00 per month
- 3.4** Membership fees shall be payable by members monthly in advance with effect from the first day of the month following that in which are admitted as a member.
- 3.5** A member shall be entitled to pay membership fees for a year in advance (or for the balance of a membership year which remains upon becoming a member). A membership year shall coincide with the financial year of the PECDT.
- 3.6** The membership fees provided herein shall be reviewed each year at the Annual General Conference of the PECDT which may adjust same from time to time, or fix discounts for members who pay in advance for a complete membership year.
- 3.7** Notwithstanding 4 below, in the event that a member falls into arrears by any amount equivalent to membership fees for four months, his or her membership shall automatically be terminated.
- 3.8** Any member may resign his or her membership by giving one month's notice in writing to this effect to the Board of Trustees. Resignation shall not relieve a member of an obligation to pay any outstanding amounts due to the PECDT as at date of that member's resignation. No member shall upon resignation have any claim of whatsoever nature against the PECDT and all such claims are hereby waived and forfeited by all subscribing members.

4. Rights and Privileges of Members

- 4.1** All fully paid-up members shall be entitled to apply to the Board of Trustees to participate in:

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4.1.1 The small projects scheme

4.1.2 The PECDT loan guarantee scheme

4.1.3 The PECDT group cover scheme or any other scheme offered by the PECDT to members from time to time

4.1.4 Any other financial scheme or benefit or resource assistance provided from time to time by the PECDT for the benefit of its members.

Any participant in any such scheme or benefit who falls in arrears with his or her membership fees, shall whilst he or she remains in arrears be suspended from participation in any such scheme or benefit.

4.2 Any member who falls into arrears with his or her membership fees by an amount equivalent to membership fees for three months shall, whilst he or she remains in arrears, automatically forfeit all rights and privileges of membership and in particular shall not be entitled to

4.2.1 Attend or participate in any special or general conference.

4.2.2 To vote or stand for election for Board of Trustees or Management Committee

5. Office Bearers

5.1 Board of Trustees

5.1.1 At the Founding Conference and at every second Annual General Conference thereafter the members shall elect from amongst their number a Board of Trustees consisting of five trustees who shall, subject to the directions of the members in Annual General Conference from time to time, be responsible for the management and control of the affairs of the PECDT.

5.1.2 The Board of Trustees shall have the powers in between annual general meetings.

5.1.3 The term of office of a trustee shall be 2 years and trustees shall be eligible for re-election, provided however that a trustee shall not serve for more than 5 consecutive terms.

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5.1.4 In the event that a trustee ceases to hold office during his term of office for whatsoever reason, the remaining trustees shall appoint a trustee to fill the vacancy for the remainder of the term in question.

5.1.5 At the first available opportunity (but in any event no longer than 10 days) after their election to office, the Board of Trustees shall meet to elect from amongst their number a chairperson, who shall hold office for the duration of the term of office of the Board.

5.1.6 The chairperson of the Board of Trustees shall:

- 5.1.6.1** preside as chairperson at all meetings of the Board of Trustees and all general or special meetings or conferences of the PECDT;
- 5.1.6.2** be responsible for convening all PECDT meetings and conferences;
- 5.1.6.3** be responsible for providing impetus to and directing the initiatives of the PECDT;
- 5.1.6.4** be responsible for projecting and maintaining the good image of the PECDT at all times;
- 5.1.6.5** be accountable to the Board and members in general meeting.
- 5.1.6.6** Be responsible for maintaining discipline amongst Trustees and members of the Management Committee.

5.2 **Management Committee**

5.2.1 In addition to the Board of Trustees there shall be a management committee ("Manco") which shall consist of two trustees delegated by the Board to fulfil this function together with at least one and no more than 3 additional members (as stipulated by the Board from time to time) to be elected by the members at each Annual General Conference at which Trustees are elected. Manco shall have no more than five (5) members.

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5.2.2 The Management Committee shall have only such administrative duties and functions as are delegated to it by the Board from time to time, either generally or specifically.

6. **General Meetings**

6.1 Founding Conference

The General Conference at which this constitution is adopted shall be referred to as the Founding Conference and all subscribers hereto who are present at the Founding Conference and who otherwise qualify in terms hereof shall be the Founding Members of the PECDT. The provisions of 6.2 hereunder shall mutandis apply to the Founding Conference.

6.2 Annual General Conference

6.2.1 The Chairperson of the Board of Trustees shall annually within 2 months of the financial year end of the PECDT, and upon 14 days written notice to the members, convene an Annual General Conference to consider at least the following business:

- 6.2.1.1 To receive and consider the report of the Board of Trustees on the previous years activities upon such conditions as are appropriate.
- 6.2.1.2 To receive and consider the financial statements of the PECDT for the previous financial year.
- 6.2.1.3 To consider and adopt if appropriate, with or without amendment, any motion submitted in writing at least 7 days prior to the Annual General Conference by the Board or a member to the chairperson.
- 6.2.1.4 Subject to the provisions of 5.1.1 and 5.2.1 above, to elect members of the Board and Mancom.

6.3 Special General Meetings

The Board may by majority resolution and shall upon written requisition in writing by at least 1/3rd of registered members, require the chairperson to convene a special general meeting to consider such business as the Board or the said requisition may stipulate.

7. Administrative and Financial Controls

- 7.1 The Board of Trustees shall establish and implement such internal control measures as it deems necessary from time to time to safeguard the assets of the PECDT.
- 7.2 Notwithstanding the foregoing, all funds received for the account of the PECDT shall be receipted and deposited to the credit of the PECDT bank account. The Board shall be responsible for maintaining proper books of account in accordance with generally accepted accounting practise which shall be subject to audit by the firm of auditors appointed by the annual general conference as the auditors of the PECDT from time to time.
- 7.3 The auditors shall maintain a "running audit" by reconciling the books at the end of each quarter of the financial year of the PECDT with a complete audit at the end of each financial year.
- 7.4 The Board of Trustees shall in particular regularly review the register of members in order to maximise recovery of outstanding membership fees and/or to remove or suspend defaulting members.
- 7.5 The Board shall be responsible for maintaining a register of assets recording inter alia a description of each asset, its location and cost.
- 7.6 No payment shall be made other than by cheque which shall be signed by at least three signatories, one of whom shall be the chairperson together with any two of a panel of signatories appointed by the Board for this purpose from time to time.
- 7.7 No expenditure shall be incurred other than pursuant to a resolution of the Board of Trustees duly minuted in writing which may be either specific or general. The Board may delegate authority to incur expenditure within the find parameters to Manco.
- 7.8 Notwithstanding the foregoing, should it be necessary or convenient to do so, the Board of Trustees may authorise the establishment of

a petty cash float to facilitate office administration and to delegate responsibility therefor to a particular individual.

8. Projects and Loan Funds

It is anticipated that, subject to the capacity of the PECDT from time to time, the projects and programmes to be established by the Board for the benefit of the members shall include the following:

8.1 Small projects scheme

8.1.1 The Board of Trustees may establish a scheme or schemes to provide support in the areas more fully set up below, to members or groups of members commencing or engaging in small business projects.

8.1.2 Such schemes shall make use of existing service providers in the field and shall as far as possible avoid duplication, the intention being to provide capacity to members without interfering in the operation of their businesses.

8.1.3 The scheme/s established by the Board may include provision for training, mentoring, accounting, secretarial or legal services, or any other administrative support and may be provided to members upon application, together with such other assistance (for example loan or loan guarantee fund) as may have been applied for, on such terms and conditions as the Trustees shall determine from time to time. Such terms and conditions shall be recorded in a contract to be concluded between PECDT and the member in question.

8.2 Loan guarantee fund

The Board of Trustees may upon application by members bind the PECDT as surety and hypothecate or pledge the assets of the PECDT as security for loans applied for by members. The Board may impose such conditions, either generally or specifically as it may deem fit and may resolve to set aside funds specifically for the purpose of backing such guarantees.

8.3 Loan Fund

8.3.1 The Board may establish a loan fund to provide loans to members on application. Such fund shall be self-sustaining.

8.3.2 Loans shall be advanced upon such terms and conditions as the Board may from time to time determine and applications for loans shall be considered by the Board only after receipt of an application and project proposal, including a feasibility and viability study and such further information as the Board may require.

8.4 Group cover scheme

The Board of Trustees shall establish a group life and disability cover scheme for the benefit of qualifying members in terms of which paid up members of at least six months' good standing shall be eligible for membership. Premiums shall be recovered together with membership fees, in regard to which the provisions of 3.4, 3.5, 3.6 and 3.7 shall mutatis mutandis apply.

9. General

The Board of Trustees shall be entitled, provided same are not inconsistent with this constitution, to make rules of order for the conduct of its meetings or general meetings of members and regulations for the conduct of schemes established by it and of the members of the PECDT, which shall be binding on all members as fully as if contained herein.

10. Dispute resolution

10.1 Should any dispute arise between the PECDT and any member or members or in relation to any matter contained in the constitution, then the parties to the dispute shall attempt to agree on a mediator to mediate the dispute. Should they be unable to agree within seven days of the dispute arising, the matter shall be referred at the instance of either of them to the President for the time being of the Alternative Dispute Resolution Association of South Africa for the nomination of a qualified mediator. His nomination in writing shall be binding on the parties.

10.2 If the parties have been unable to settle the dispute with the assistance of the mediator within seven days of his appointment,

10.2.1 if the parties are unable to agree on the identity of an arbitrator, the matter shall be referred once more, at the instance of either party, to the President for the time being of the Alternative Dispute Resolution Association of South Africa to appoint an arbitrator to settle the dispute. His appointment in writing shall be binding on the parties;

- 10.3.1 the arbitrator agreed upon or appointed as aforesaid shall act as an expert and shall determine his or her procedure. He or she shall proceed to determine the dispute as expeditiously as possible in writing, including an order, if appropriate, as to his costs and those of the parties to the dispute. His or her finding shall be final and binding on all of the parties to the dispute and the PECDT.

11. Amendment of constitution

This constitution may be amended by a motion properly moved in terms of 6.2.1.3 to this effect, by a two-thirds majority of those present at an annual general conference or a special general conference called for that purpose.

12. Dissolution of PECDT

The PECDT may be dissolved pursuant to a motion properly moved in terms of 6.2.1.3 to that effect, by a two-thirds majority of those present in an annual general conference or a special general conference called for that purpose.

13. Disposal of assets

No portion of the assets of the PECDT shall upon dissolution or otherwise be distributed amongst the members. Upon dissolution of the PECDT, if there remains after the satisfaction of all of its debts and liabilities, any property whatsoever, same shall be given or transferred to some other institution or institutions having objectives similar to those of the PECDT as determined by the Trustees and approved by the annual or special conference resolving on the dissolution of the PECDT and in default thereof by such judge of the Supreme Court of South Africa as may have or acquired jurisdiction in the matter.