

## **Memorandum of incorporation**

Of

### **the Mandla etfu NPC**

which is referred to in the rest of this Memorandum of Incorporation as “the Company”.

The Company is a Non Profit company with members, with the following objects:

1. To create employment.
2. To dispose waste cannabis material.
3. To spread awareness of the Cannabis for private purposes bill of 2020.
4. To keep members of the community from violating the Cannabis for private purposes bill of 2020.

This Memorandum of Incorporation was adopted by the incorporators of the Company, in accordance with section 13 (1), as evidenced by their signatures set out in Part A of Schedule 1.

In this Memorandum of Incorporation—

(a) a reference to a section by number refers to the corresponding section of the Companies Act, 2008;

(b) words that are defined in the Companies Act, 2008 bear the same meaning in this Memorandum as in that Act; and

The Schedules attached to this Memorandum are part of the Memorandum of Incorporation.

### **Article 1 - Incorporation and Nature of the Company**

#### **1.1 Incorporation**

(1) The Company is incorporated as a Non Profit company, as defined in the Companies Act, 2008.

(2) The Company is incorporated in accordance with, and governed by—

(a) the unalterable provisions of the Companies Act, 2008 that are applicable to Non Profit companies;

(b) the alterable provisions of the Companies Act, 2008 that are applicable to Non Profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and

(c) the provisions of this Memorandum of Incorporation.

#### **1.2 Objects and Powers of the Company**

(1) The Objects of the Company are as set out in this Memorandum of incorporation and, except to the extent necessarily implied by the stated objects, the purposes and powers of the Company are subject to any restriction, limitation or qualification, contemplated in section 19 (1)(b)(ii), as set out in Part B of Schedule 1.

(2) The strategy to be employed to achieve the objective to create employment is to commence with raising funding through diverse finance instruments to commence operation of the canibu.co.za website in order to generate revenue to make the organisation sustainable.

(3) The strategy to be employed to achieve the objective to dispose of cannabis waste material is to advertise and collect donated cannabis material from donors and then after to utilise the canibu.co.za platform to recruit disposal agents for the Mandla etfu NPC that shall be tasked with disposing the waste cannabis material by utilising the canibu co.za platform as a communication mechanism to co-ordinate the process.

(4) The strategy to be employed to achieve the objective to spread awareness of the Cannabis for private purposes bill of 2020 is to install a link on the canibu.co.za platform that shall download the bill onto the users device to read.

(5) The strategy to be employed to achieve the objective to keep members of the community from violating the cannabis for private purposes bill of 2020 is to offer free cannabis disposal services to the community through the canibu.co.za platform for unintentional excess cannabis material that's been cultivated

(6) Upon dissolution of the Company, its net assets must be distributed in the manner determined in accordance with Item 1(4)(b) of Schedule 1 of the Companies Act, 2008.

### **1.3 Memorandum of Incorporation and Company rules**

(1) This Memorandum of Incorporation of the Company may be altered or amended only in the manner set out in section 16, 17 or 152 (6) (b).

(2) The authority of the Company's Board of Directors to make rules for the Company, as contemplated in section 15 (3) to (5) is not limited or restricted in any manner by this Memorandum of Incorporation.

(3) The Board must publish any rules made in terms of section 15 (3) to (5) by delivering a copy of those rules to each director and member by ordinary mail.

(4) The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17 (1) by delivering a copy of those rules to each director and member by ordinary mail.

(5) The Company elects, in terms of section 34 (2), to comply voluntarily with the provisions of Chapter 3 of the Companies Act, 2008.

### **1.4 Members of the Company**

(1) As contemplated in Item 4 (1) of Schedule 1 of the Act, the Company has members, who are in two classes, being voting and non-voting members, respectively.

(2) The terms and conditions of membership in the company are as set out in Part C of Schedule 1 to this Memorandum.

## **Article 2 - Rights of Members**

## **2.1 Members' authority to act**

If, at any time, every member of the Company is also a director of the Company, as contemplated in section 57 (4), the authority of the members to act without notice or compliance with any other internal formalities, as set out in that section is not limited or restricted by this Memorandum of Incorporation.

## **2.3 Representation by concurrent proxies**

The right of a member of the Company to appoint persons concurrently as proxies, as set out in section 58 (3)(a) is not limited or restricted by this Memorandum of Incorporation.

## **2.4 Record date for exercise of member rights**

If, at any time, the Company's Board of Directors fails to determine a record date, as contemplated in section 59, the record date for the relevant matter is as determined in accordance with section 59 (3).

## **2.5 Termination of membership**

Should indisputable evidence be acquired that implicates a member violating their obligations towards the agreed terms and conditions of the organisation, the board of directors shall be responsible for setting a date for a disciplinary hearing and the member shall be given a 30 day notice of the hearing before attending. Should the member fail to arrive at the disciplinary hearing without giving 24 hour notice to the board of director, the hearing will continue without the member. Disciplinary hearings may lead to suspension of the member membership for a given amount of time or the termination of the members membership.

## **Article 3 - Members Meetings**

### **3.1 Requirement to hold meetings**

The Company is not required to hold any members meetings other than those specifically required by the Companies Act, 2008.

### **3.2 Members' right to requisition a meeting**

The right of members to requisition a meeting, as set out in section 61 (3), may be exercised by at least 50% of the voting members.

### **3.3 Location of members meetings**

The authority of the Company's Board of Directors to determine the location of any members meeting, and the authority of the Company to hold any such meeting in the Republic or in any foreign country, as set out in section 61 (9) is not limited or restricted by this Memorandum of Incorporation.

### **3.4 Notice of members meetings**

The minimum number of days for the Company to deliver a notice of a members meeting to the members, as required by section 62 is 15 business days before the meeting is to begin.

### **3.5 Electronic participation in members meetings**

The authority of the Company to conduct a meeting entirely by electronic communication or to provide for participation in a meeting by electronic communication, as set out in section 63 is not limited or restricted by this Memorandum of Incorporation.

### **3.6 Quorum for members meetings**

(1) The quorum requirement for a members meeting to begin, or for a matter to be considered are as set out in section 64 (1) without variation.

(2) The time periods allowed in section 64 (4) and (5) apply to the Company without variation.

(3) The authority of a meeting to continue to consider a matter, as set out in section 64 (9) is not limited or restricted by this Memorandum of Incorporation.

### **3.7 Adjournment of members meetings**

The maximum period allowable for an adjournment of a members meeting is as set out in section 64 (12) without variation.

### **3.8 Members resolutions**

(1) For an ordinary resolution to be adopted at a members meeting, it must be supported by more than 80% of the members who voted on the resolution, as provided in section 65 (7).

(2) For a special resolution to be adopted at a members meeting, it must be supported by at least 80% of the members who voted on the resolution, as provided in section 65 (7).

(3) A special resolution adopted at a members meeting is not required for a matter to be determined by the Company, except those matters set out in section 65 (11).

## **Article 4 - Directors and Officers**

### **4.1 Composition of the Board of Directors**

(1) The Board of Directors of the Company comprises of at least 3 directors each of whom –

(a) is to be elected in the manner set out in Part A of Schedule 2; and

(b) serves for as long as the elected director meets the criteria of eligibility.

(2) In addition to the elected directors there are no appointed or ex officio directors of the company, as contemplated in section 66 (4).

(3) In addition to satisfying the qualification and eligibility requirements set out in section 69, to become or remain a director of the Company, a person need not satisfy any further eligibility requirements or qualifications.

(4) Each appointed director of the Company serves for an indefinite term, until the director is removed or retires.

#### **4.2 Authority of the Board of Directors**

The authority of the Company's Board of Directors to manage and direct the business and affairs of the Company, as set out in section 66 (1) is not limited or restricted by this Memorandum of Incorporation.

#### **4.3 Board of Directors meetings**

(1) The authority of the Company's Board of Directors to consider a matter other than at a meeting, as set out in section 74 is not limited or restricted by this Memorandum of Incorporation.

(2) The right of the Company's Directors to requisition a meeting of the Board, as set out in section 73 (1), may be exercised by at least 30% of the directors.

(3) The authority of the Company's Board of Directors to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73 (3), is not limited or restricted by this Memorandum of Incorporation.

(4) The authority of the Company's Board of Directors to determine the manner and form of providing notice of its meetings, as set out in section 73 (4) is not limited or restricted by this Memorandum of Incorporation.

(5) The authority of the Company's Board of Directors to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73 (5) is not limited or restricted by this Memorandum of Incorporation.

(6) The quorum requirement for a directors meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting, are as set out in section 73 (5).

#### **4.4 Indemnification of Directors**

(1) The authority of the Company's Board of Directors to advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, as set out in section 78 (3) is not limited or restricted by this Memorandum of Incorporation.

(2) The authority of the Company's Board of Directors to indemnify a director in respect of liability, as set out in section 78 (5) is not limited or restricted by this Memorandum of Incorporation.

(3) The authority of the Company's Board of Directors to purchase insurance to protect the Company, or a director, as set out in section 78 (6) is not limited or restricted by this Memorandum of Incorporation.

#### **4.5 Officers and Committees**

(1) The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Company.

(2) The authority of the Company's Board of Directors to appoint committees of directors, and to delegate to any such committee any of the authority of the Board as set out in section 72 (1), or

to include in any such committee persons who are not directors, as set out in section 72 (2)(a) is not limited or restricted by this Memorandum of Incorporation.

(3) The authority of a committee appointed by the Company's Board, as set out in section 72 (2)(b) and (c) is not limited or restricted by this Memorandum of Incorporation.

## **Article 5 - Non-disclosure**

(1) Directors and board members are prohibited from disclosing any information witnessed or given by the organisation to non-members of the Company unless there is written consent from the board of directors.

## **Article 6 - General Provisions**

### **Schedule 1 - Incorporation and nature of the Company**

#### Part A

Herein attached as document A.

Herein attached as document B.

Herein attached as document C.

#### Part B

From the date and time that the incorporation of the Mandla etfu NPC is registered, the company shall not exercise its legal powers until the Board of directors of the Company have elected a representative of the Company within the board of directors to sign the herein attached document D and attached document E. The company shall only begin to exercise its legal powers after the documents herein attached as document D and document E have been signed by the elected company representative.

#### Part C

##### (A) Joining

(1) Types of memberships:

1.1 Distribution agent membership

1.2 Delivery agent membership

1.3 Preparation agent membership

1.4 Disposal agent membership

1.5 Alfa distribution agent membership

(2) Upon joining the Mandla etfu NPC, the potential member shall be required to agree on the terms and conditions of a membership agreement and may be required to pay a joining fee.

(B) Voting rights

(1) Members who have not been appointed as directors shall be classified as non-voting members.

(2) Members who have been appointed as directors of the Mandla etfu NPC shall be classified as voting members.

(C) Obligations

(1) Distribution agent membership obligations:

1.1 To monitor incoming orders during operational hours.

1.2 To package pending orders according to company procedure.

1.3 To label packages according to company procedure.

1.4 To execute obligations in time according to company procedure.

1.5 To keep safe the company material according to company procedure.

(2) Delivery agent membership obligations:

2.1 To monitor incoming orders during operational hours.

2.2 To collect orders according to company procedure.

2.3 To deliver orders according to company procedure.

2.4 To execute obligations in time according to company procedure.

(3) Preparation agent membership:

3.1 To assist a distribution agent to fulfil their obligations.

(4) Disposal agent membership:

4.1 To signal readiness to dispose of material for the Company.

4.2 To receive packages when delivery of material has arrived at location signalled.

4.3 To dispose of material delivered according to company procedure.

(5) Alfa distribution agent membership:

5.1 To monitor levels of material in stock that a distribution agent has.

5.2 To package material to be delivered to distribution agents according to company procedure.

5.3 To deliver material to distribution agents according to company procedure.

5.4 To label packages to distribution agents according to company procedure.

5.5 To execute obligations in time according to company procedure.

(D) Termination

(1) Should the board of directors gain access to evidence of a members non-compliance with required membership obligations, the board of directors may vote on a decision to terminate the members membership.

**Schedule 2 - Directors and Officers**

Part A

The recruitment of a director and the process thereof shall be decided by a resolution by the board of directors.