

**COMPANIES AND INTELLECTUAL PROPERTY COMMISSION
REPUBLIC OF SOUTH AFRICA**

MEMORANDUM OF INCORPORATION

OF

**COUNCIL OF EQUINE AND EQUESTRIAN
PROFESSIONALS OF SOUTH AFRICA NPC**

A NON-PROFIT COMPANY WITH MEMBERS

REGISTRATION NUMBER: 2013/218031/08



MEMORANDUM OF INCORPORATION

PART I: INTRODUCTION

1. INTRODUCTION

Bound together by the unwavering commitment to consolidate, improve, uphold and maintain the ethical and professional standards of service and product supply in and to the equine and equestrian industry in South Africa, the Founding Members hereby establish and create the Company by completing this Memorandum of Incorporation as the constitutive and founding document of the Company.

2. JURISTIC PERSONALITY

2.1 The Company is incorporated as a non-profit company as defined in the Companies Act, with Members, and has juristic personality from the date and the time that the incorporation of the Company is registered, as stated in section 19(1).

2.2 The Company is incorporated in accordance with and governed by -

2.2.1 the unalterable provisions of the Companies Act, that are applicable to non-profit companies;

2.2.2 the alterable provisions of the Companies Act, that are applicable to non-profit companies, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation;

2.2.3 the other provisions of this Memorandum of Incorporation; and

2.2.4 its Rules, if any.

3. OBJECTS

3.1 The objects ("Objects") for which the Company is established, is to set, uphold, maintain and implement a holistic; united and non-exclusionary professional body for all persons engaged in a professional capacity in the equine and equestrian industry in South Africa and; to bind these professionals to objectives of the Company as determined by the Board from time to time, which includes but is not limited to -

- 3.1.1 promoting public understanding of, and trust in, the professions within the equine and equestrian industry through the registration of professional designations;
- 3.1.2 encouraging social responsibility and accountability within the professions in the equine and equestrian industry relating to professional services communities and individuals;
- 3.1.3 promoting pride in association for all professions within the equine and equestrian industry, including traditional trades and occupations;
- 3.1.4 promoting the protection of the public from malpractice related to the fulfilment of the professional duties and responsibilities of professionals registered with the Company;
- 3.1.5 encouraging international leading practice and the raising of esteem for all professions within the equine and equestrian industry;
- 3.1.6 facilitating access to, and analysis of data related to equine and equestrian professions for the purposes and use as prescribed in the NQF Act, subject to the protection of personal information as contemplated in the Protection of Personal Information Act (Act no. 4 of 2013);
- 3.1.7 supporting the development of a national career advice system for the equine and equestrian industry;
- 3.1.8 encouraging the development and implementation of continuing professional development amongst professionals in the equine and equestrian industry;
- 3.1.9 advancing the objectives of the NQF;
- 3.1.10 placing the equine before profit in the pursuit of excellence in the delivery of service and products in the equine and equestrian industry;
- 3.1.11 instituting and securing the general adoption of ethical and professional client service by professionals within the equine and equestrian industry;

- 3.1.12 encouraging, maintaining, improving and promoting the practice of honourable conduct generally in the practice of the professions within the equine and equestrian industry;
 - 3.1.13 promoting and safeguarding the interests and welfare of the Members;
 - 3.1.14 rendering such assistance to the Members as they may reasonably require from time to time;
 - 3.1.15 assisting with career guidance; employment placement and employment procurement by and for Members;
 - 3.1.16 co-operating with national and international equestrian institutions and associations, either statutory or non-statutory;
 - 3.1.17 co-operating with persons directly or indirectly engaged in the equine and equestrian industry nationally and internationally and providing a forum for discussion between such persons on matters of common interest;
 - 3.1.18 collaborating with the Government of the Republic of South Africa and *inter alia* the Department of Sport and Recreation, the Department of Education, Department of Labour, Department of Agriculture, or their successor bodies, in all matters concerning equine and equestrian professionals;
 - 3.1.19 encouraging and assisting its Members to engage in on-going personal growth and development through the provision of continuing professional development programmes;
 - 3.1.20 co-operating with the equestrian industry in developing its role in providing broad based black economic empowerment to previously disadvantaged individuals.
- 4.2 The provisions of this Memorandum of Incorporation are consistent with the principles set out in item 1(2) to item 1(9) of Schedule 1 to the Companies Act in so far as such principles are applicable to the Company and no amendment of this

Memorandum of Incorporation shall be competent to the extent that it is contrary to or negates any of such principles.

- 4.3 The Objects shall be carried on in a non-profit manner and with an altruistic intent, and the Company shall not, directly or indirectly, pay any portion of its income or assets to any Director, Member or employee of the Company, except as reasonable remuneration payable to that person.

4. AREA OF ACTIVITY

The area within which the Company will carry on its activities will be the geographical areas of the Republic of South Africa, and any such additional areas as the Board may determine from time to time. All the Funds of the Company will be applied solely within the aforementioned geographical areas, as well as in any additional geographical areas approved by the Board.

5. NON-PROFIT COMPANY PROVISIONS

- 5.1 The Company is a non-profit company, and accordingly the Company -

5.1.1 shall apply all its income and assets, howsoever derived, solely towards the promotion of its Objects; and

5.1.2 subject to clause 6.1.1, may -

5.1.2.1 acquire and hold Securities issued by a profit company; or

5.1.2.2 directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its stated objects.

- 6.2 The Company, as a non-profit company, shall not, directly or indirectly, pay any portion of its income or transfer any of its assets, regardless as to how the income or asset was derived, to any person who is or was an incorporator of the Company, or who is a Director, or person appointing a Director of the Company, except -

- 6.2.1 as reasonable -
 - 6.2.1.1 remuneration for goods sold and delivered or services rendered to, or at the direction or instance of, the Company; or
 - 6.2.1.2 payment of, or reimbursement for, expenses incurred to advance or achieve a stated object of the Company;
- 6.2.2 as payment of an amount due and payable by the Company in terms of a *bona fide* agreement between the Company and that person or another;
- 6.2.3 as payment in respect of any rights of that person, to the extent that such rights are administered by the Company in order to advance a stated object of the Company or for any other lawful reason; or
- 6.2.4 in respect of any legal obligation binding on the Company.

6. SPECIAL PROVISIONS RELATING TO TAX EXEMPT STATUS

- 6.1 The Company shall apply for exemption from income tax in terms of the Income Tax Act and apply for such other tax exemptions as the Commissioner for the South African Revenue Service ("Commissioner") may allow. In order to maintain such tax exemption the Company shall at all times comply with this clause 7, despite any provision to the contrary in the Memorandum of Incorporation.
- 6.2 The Funds of the Company howsoever derived shall be applied solely towards the promotion of the Objects of the Company or be invested and no portion thereof shall be paid or transferred, directly or indirectly, to any person other than in the course of the promotion of the Objects of the Company, provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any officer or servant of the Company in return for any services actually rendered to the Company.
- 6.3 Upon its dissolution the assets of the Company remaining after the satisfaction of all its liabilities, shall be given or transferred to -

- 6.3.1 another Charitable Organisation, which has been approved by the Commissioner as a public benefit organisation in terms of section 30 of the Income Tax Act;
- 6.3.2 any institution, board or body contemplated in section 10(1)(cA)(i) of the Income Tax Act, which conducts one or more Public Benefit Activity;
- 6.3.3 department of state or administration in the national or provincial or local sphere of government of South Africa.
- 6.4 There shall at all times be a minimum of 3 (Three) Directors, who are not Connected Persons in relation to each other, to accept the fiduciary responsibilities of directors and no single person shall directly or indirectly control the decision making powers relating to the Company.
- 6.5 The Company is prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act: provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i) of the Income Tax Act which has as its sole or principal object the carrying on of any Public Benefit Activity) may not impose conditions which could enable such donor or any Connected Person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 6.6 The Directors shall submit copies of any amendments to this Memorandum of Incorporation and Rules to the Commissioner and to the Director of Non-profit Organisations.
- 6.7 The Company shall not knowingly be a party to or permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have

become payable by any person under the Income Tax Act or any other act administered by the Commissioner.

- 6.8 The Directors will not pay any remuneration, as defined in the Fourth Schedule of the Income Tax Act, to any employee, office bearer, director or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and will not economically benefit any person in a manner which is not consistent with the object of the Company.
- 6.9 The Company shall comply with such reporting requirements as may be determined by the Commissioner.
- 6.10 The Company shall register in terms of section 13(5) of the Non-profit Organisations Act and comply with any other requirements imposed in terms of the Non-profit Organisations Act.
- 6.11 The Directors will not use the Company's resources directly or indirectly to support, advance or oppose any political party.
- 6.12 All financial transactions of the Company shall be conducted by means of a banking account.
- 6.13 Any books of account, records or other documents relating to the Company must, regardless of whether such documents are kept in book form or not, be retained and carefully preserved by the Directors for a period of 5 (Five) years after the date of the last entry in any book or document.

7. RULES

- 7.1 The Company may have a set of Rules in respect of matters that are not addressed in the Companies Act or in this Memorandum of Incorporation and reflecting its strategic mission and vision and which shall provide more precise content and focus in the pursuance of its Objects and requirements attaching to membership of the Company.

- 7.2 The Board is authorised to make, amend or repeal any necessary or incidental rules relating to the governance of the Company by -
- 7.2.1 publishing a copy of any Rules or amendments to such Rules made in terms of section 15(3) to 15(5) by delivering a copy of such Rules or amendments to each Member by ordinary mail; and
- 7.2.2 filing a copy of those Rules.
- 7.3 Any Rules so made shall take effect and become binding in the manner contemplated in section 15(4).
- 7.4 The Board, or any individual authorised by the Board, may alter the Rules, in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document by -
- 7.4.1 publishing a notice of any alteration made by delivering a copy of such amendments to each Member by ordinary mail; and
- 7.4.2 filing a notice of the alteration.
- 8.5 All amendments to the Rules shall be submitted to the South African Revenue Services and, if the Company has been registered in terms of the Non-Profit Organisations Act to the Director of Non-Profit Organisations.

8. POWERS OF THE COMPANY

- 8.1 In the furtherance of the Objects, the Company shall have all such powers as may be necessary or appropriate for that purpose and in particular (without limiting the generality of the foregoing) the Company shall have the power -
- 8.1.1 to sue or be sued in its own name and to be so represented in mediation and arbitration proceedings and in courts of law;
- 8.1.2 to possess, apart from its Members and in its own name, movable or immovable property, assets and liabilities rights and obligations of its own, and

the Company shall have the right to sell, purchase, let, hire, pledge, encumber or otherwise dispose of the same;

- 8.1.3 to obtain funds wholly or partially from contributions collected from the public, any charitable association or any other company, close corporation, trust or institution;
- 8.1.4 to accept any gift, endowment or bequest made to the Company and to carry out any trust allotted to any such gift, endowment or bequest;
- 8.1.5 to open and operate a bank account in the name of the Company and to draw, accept, discount, endorse, execute, and issue promissory notes, bills of exchange, cheques and other negotiable instruments from such bank account or otherwise;
- 8.1.6 to invest and deal with the monies of the Company not immediately required in such manner and upon such securities (if any) as may from time to time be determined by the Board; provided that the Funds available for investment shall only be invested with registered financial institutions as defined in section 1 of the Financial Institutions Act (Act no.28 of 2001), and in securities listed on a listed stock exchange as defined in the Stock Exchanges Control Act (Act no.1 of 1985);
- 8.1.7 to administratively ring-fence such amounts of the Funds as the Company may determine ("Ring-Fenced Fund/s") for distinct Objects in order to implement the provisions of this Memorandum of Incorporation; and if deemed appropriate for administrative, fiscal or other reasons, to keep separate books and to account separately in respect of each Ring-Fenced Fund;
- 8.1.8 to associate and/or affiliate with any other Non-profit Organisation having similar Objects;
- 8.1.9 to transfer, sell, cede or donate to any similar Non-profit Organisations any monies, assets or rights or interest in respect of any property, whether movable or immovable;

- 8.1.10 to publish and distribute to Members reports of the proceedings and activities of the Company and to publish and circulate a magazine or other literature for the information and enlightenment of the Members and the public;
- 8.1.11 to amend the terms and conditions of this Memorandum of Incorporation; and
- 8.1.12 to undertake all such acts as are incidental to the attainment of the Objects, and which may be legally accomplished by a non-profit company.

9. INCOME AND PROPERTY

- 9.1 The income and property of the Company wheresoever derived shall be applied solely towards the promotion of its Objects, and no portion thereof shall be paid or transferred directly or indirectly in any manner whatsoever to the Members, office bearers, trustees, officials or donors of the Company provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration or other consideration (including retirement benefits) to any Member, officer, trustee, employee of the Company, in consideration for any service actually rendered to or on behalf of the Company and/or the re-imbusement of actual costs and expenses incurred in the course of such services.
- 9.2 All monies of the Company shall be held in a bank account in the name of the Company, and all transactions of the Company shall be conducted through such account.
- 9.3 The Company shall keep complete and accurate records of the property (whether movable and/or immovable) it owns.
- 9.4 The Members, office bearers, trustees or officials of the Company shall be entitled to be refunded by the Company for the expenses that they have paid for or on behalf of the Company.
- 9.5 The Company shall not accept donations which are revocable or conditional unless the Board in its sole discretion deems the acceptance of such donations, to be in the Company's best interests.

9.6 If a donation is offered for a specific purpose which cannot be implemented, or which would conflict with the Objects or the terms of this Memorandum of Incorporation, the Board must refuse or refund the donation, as the case may be.

9.7 All donations or contributions collected in foreign countries must be received in South Africa into the Company's bank account.

10. SPECIAL CONDITIONS

This Memorandum does not contain any restrictive conditions applicable to the Company as contemplated in section 15(2)(b) or (c).

11. APPLICATION OF CERTAIN PROVISIONS OF THE COMPANIES ACT

11.1 The Company does not elect, in terms of section 34(2), to comply voluntarily with the extended accountability provisions set out in Chapter 3 of the Act.

11.2 The Company, being a non-profit company, does not elect in terms of section 118(1)(c)(ii) to submit voluntarily to the provisions of Parts B and C of Chapter 5 of the Act and to the Takeover Regulations provided for in the Act.

PART II: MEMBERS

12. MEMBERS

12.1 As contemplated in item 4(1) of Schedule 1 of the Companies Act, the Company shall have Members, who are either of two classes, being voting and non-voting Members respectively.

12.2 The Members of the Company shall be the Founding Members and the CEEPSA Members, as well as such other persons as the Board shall admit to membership, in accordance with the provisions hereinafter contained. Only the Founding; Professional Members and Associate Members shall be entitled to exercise voting rights in respect of any matter to be decided on at a meeting of the Members, and the Affiliate Members shall not be entitled to exercise any voting rights in respect of

any such matters. It is expressly recorded that all Affiliate Members shall be non-voting Members.

12.3 The Board shall ensure that the membership of the Company reflects a diverse array of interest groups, including (without limitation) persons from the equine and equestrian industry and related fields in which the Company is or wishes to become actively involved in.

12.4 Applicants for membership, who apply for membership in a manner prescribed by the Board from time to time, and who-

12.4.1 subscribe to the Objects of the Company; and

12.4.2 endorse the Rules,

shall be eligible for membership.

13.5 Admission to membership shall be in the sole and absolute discretion of the Board, which may either admit or refuse to admit any applicant as a Member without furnishing reasons therefor.

13.6 The Board may impose conditions upon membership as it may from time to time in its sole discretion deem fit, including but not limited to, the payment of membership subscriptions or other charges. In fixing such membership subscriptions or other charges, the Board may differentiate between voting and non-voting Members respectively.

13.7 A decision of the Board to accept an application of any person or organisation to become a Member shall be made by resolution of the Board having the concurrence of not less than 75% (Seventy Five Percent) of the Board.

13.8 The Board may at its discretion, and by resolution having the concurrence of not less than a 75% (Seventy Five Percent) of the Board, terminate any Member's membership of the Company ~~without advancing any reason~~; provided that such Member's membership shall only end when the Member has been released from any liability, if any, as guarantor of the debts of the Company.

- 13.9 Every Member shall register his Address, facsimile number and email address, or a change of such Address, facsimile number or email address, with the Company. If a Member fails to register his Address, facsimile number or email address with the Company, or any of the aforesaid changes, such Member shall be deemed to have waived his right to receive notices, with effect from the date of such un-notified change.
- 13.10 The rights and privileges attaching to membership shall be personal to each Member and shall not be capable of cession, assignment, transfer or transmission by the Member's own act.
- 13.11 The Board may from time to time, if deemed appropriate, admit as Members patrons, trustees and/or other honorary office bearers and assign such functions to their offices as the Board may determine, including the right to attend general meetings and speak thereat, but the appointees shall not have any voting rights thereat.

13. LIMITATION OF LIABILITY

No person shall, solely by reason of being an incorporator, Member or Director of the Company, be liable for any liabilities, obligations or duties of the Company.

14. TERMINATION OF MEMBERSHIP

- 14.1 A Member may resign by written notice to the Company, whereupon, the Member's name shall be removed from the Membership Register. Such resignation shall not absolve nor relieve the resigning Member from fulfilling its outstanding or unfulfilled liabilities, obligations or duties to the Company.
- 14.2 The Board shall have the power, in its sole and absolute discretion, to terminate a Member's membership if -
- 14.2.1 a Member fails to pay any Member's membership fee or any other charges levied on the Member, on the due date thereof, and remain in default for more than 30 (Thirty) days after the date of a written notice from the Secretary calling upon the Member to remedy such default;

- 14.2.2 in the sole discretion of the Board, such Member is guilty of conduct inimical to the Objects and/or Rules of the Company;
- 14.2.3 he/she or it is removed as a Member by 75% (Seventy Five Percent) of the Board in terms of clause 13.8;
- 15.3 A Member whose membership has been terminated shall be liable for all amounts or sums that may at the date of termination of his membership be due from him to the Company and shall not be entitled to any refund of any monies already paid nor have any claim against the Company or its officers, its property or its Funds.
- 15.4 The number of Members from time to time is not limited, but shall at no time be less than 3 (Three).
- 15.5 If at any time the number of Members remaining should fall below the stipulated minimum, it shall be incumbent upon the Board to take such steps as may be necessary to fill the relevant vacancy/ies within a period of 30 (Thirty) days of the need therefore arising.

15. REGISTER OF MEMBERS

- 15.1 The Board shall keep a Membership Register at the place and in the manner specified in the Companies Act.
- 15.2 The Board must enter in the Membership Register -
- 15.2.1 the names, Addresses, facsimile numbers and email addresses of Members;
- 15.2.2 the date that the name of any person was entered in the Membership Register as a Member; and
- 15.2.3 the date that a person ceased being a Member; and
- 15.2.4 such other information as is required in terms of the Companies Act.

16.3 The Membership Register shall be open for inspection by the Members during business hours, subject to any reasonable restrictions from time to time imposed by the Members in general meeting.