

Est. 1995



**NATIONAL YOUTH DEVELOPMENT  
OUTREACH NPC**

**MEMORANDUM OF INCORPORATION**

Without Members

Registration No: 1995/005481/08



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## Article 1 – Name, Main Objective and Nature of the Company

### 1. Name

The name of the Company is:

**NATIONAL YOUTH DEVELOPMENT OUTREACH NPC**  
(hereinafter referred to as the Company)

Official abbreviation:

**NYDO**

Official phonetic pronouncement:

**YDO**

### 2. Main Objective of the Company

The Main Objective of the Company is to cultivate and equip responsible and diligent youth through prevention, intervention and skills development. Without limiting the general nature thereof, the Main Objective shall include:

- 2.1 Providing holistic training, education and development programmes for the youth at risk and those in conflict with the law;
- 2.2 Creating a supportive society for the youth to facilitate good life choices, ensure day-to-day life issues, pursuing resilience and overcoming barriers in their lives;
- 2.3 Offering skills training for youth at risk to enable them to obtain gainful employment and to nurture entrepreneurship to start small businesses; and
- 2.4 Equipping youth at risk to effectively overcome their fears, self-doubt, low self-esteem and to develop self-management skills to productively deal with the challenges of everyday life.
- 2.5 Providing educational and development programmes aimed at offering a holistic alternative to a life of drugs and gangsterism;
- 2.6 Promotion family stability through the facilitation of parenting programmes

### 3. Incorporation

- 3.1 The Company is, pursuant to section 19(1)(a) of the Act, a body corporate with its own legal identity which is separate from its Directors and office-bearers. The Company shall continue to exist even if the Directors or office-bearers change. The Company may own property, enter into contracts, and sue or be sued in its own name.
- 3.2 The Company has, pursuant to section 19(1)(b) of the Act, all the powers and capacity of an individual, unless otherwise provided in terms of the Act.
- 3.3 The Company is incorporated in accordance with, and governed by:



- 3.3.1 the unalterable provisions of the Act that are applicable to Non Profit Companies;
- 3.3.2 the alterable provisions of the Act that are applicable to Non Profit Companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and
- 3.3.3 the provisions of this Memorandum of Incorporation.

#### **4. Taxation of the Company**

The Main Objective of the Company is, as contemplated in section 19(1)(b)(ii) of the Act, subject to the conditions in sub-paragraph 4.1 below.

- 4.1 The powers of the Company will, in the event of it becoming an approved public benefit organisation pursuant to section 30 of the Income Tax Act of 1962, be subject to the following conditions. In terms thereof the Company will:
  - 4.1.1 Ensure that no single person directly or indirectly controls the decision-making powers relating to the Company;
  - 4.1.2 Be required to have at least three (3) persons, who are not connected persons in relation to each other, to be the Directors of the Company.
  - 4.1.3 Be 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; provided that a donor 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.
  - 4.1.4 Be prohibited from distributing any of its funds to any person (otherwise than in the course of undertaking its Main Objective) and is required to utilise its funds solely for the Main Objective for which the Company has been established.
  - 4.1.5 Submit to the Commissioner for the South African Revenue Service (the Commissioner) a copy of any amendment to the Memorandum of Incorporation of the Company.
  - 4.1.6 Not pay any remuneration to any employee, Director, office bearer or other person, which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered.
  - 4.1.7 Has not and will not use its resources directly or indirectly to support, advance or oppose any political party.
  - 4.1.8 Comply with such reporting requirements as may be determined by the Commissioner.
- 4.2 The Company is not subject to any provision contemplated in section 15 (2)(b) or (c) of the Act.



- 4.3 Directors and office-bearers have no rights in the property or other assets of the Company solely by virtue of their being Directors or office-bearers.
- 4.4 The income and property of the Company shall be used solely for the promotion of its stated Main Objective and shall not be paid or distributed directly or indirectly to any person, or to any Director or employee of the Company or office-bearers, except in accordance with paragraph 3 of Schedule 1 of the Act.
- 4.5 Upon dissolution of the Company, its net assets must be distributed to another nonprofit organisation in the manner determined in accordance with Item 1(4)(b) of Schedule 1 of the Act, 2008; and should the Company be an approved public benefit organisation to a similar public benefit organisation which has been approved in terms of section 30 of the Income Tax Act of 1962, as amended; or an institution, board or body which is exempt from tax under section 10 (1) (cA) (i) of the Income Tax Act; or the government of the Republic in the national, provincial or local sphere.

## **5. Memorandum of Incorporation and Company rules**

- 5.1 This Memorandum of Incorporation of the Company may be altered or amended in the manner set out in section 16, 17 or 152 (6) (b) of the Act, subject to the provisions contemplated in section 16 (1)(c) of the Act, provided that:
  - 5.1.1 The Memorandum of Incorporation may be amended, the name of the Company may be changed by a special resolution passed at a Board Meeting convened for that purpose and supported by two-thirds of the Directors.
  - 5.1.2 At least fourteen (14) days' notice must be given to all the Directors stating the nature of the resolution to be proposed, provided that this notice requirement can be waived by all the Directors.
- 5.2 The authority of the Board to make and publish rules for the Company, as contemplated in section 15 (3) to (5) of the Act is not limited or restricted and the Company may publish rules by having it delivered personally, or sent by prepaid post or addressed by e-mail transmission, to the last address notified by each Director or in any other manner as the Board may determine.

## **6. Optional provisions of the Act do not apply**

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

## **7. Members of the Company**

The Company has no Members.

## **Article 2 - Directors and Officers**



## **1. Composition of the Board**

- 1.1 The Board comprises of at least three (3) unrelated Directors and a maximum of ten (10).
- 1.2 The Board shall have the power at any time, and from time to time, to appoint any person as a Director, either to fill a vacancy in the Board or as an additional Director.
- 1.3 At every third annual general meeting of the Company at least one-third of the Directors shall retire from office starting with those who have held office the longest since their last appointment, provided that no such retirement shall take place if the remaining Directors will be less than required in terms of paragraph 1.1 above. A retiring Director shall be eligible for re-election. Provided that no director shall be required to retire if there are no more than three (3) directors. Provided further that no director may serve for more than nine (9) consecutive years.
- 1.4 The Company, at the annual general meeting at which a Director retires in the manner aforesaid, may fill the vacancy by electing a person thereto.
- 1.5 In addition to the appointed Directors the Board may appoint a two (2) *ex officio* directors of the Company, as contemplated in section 66 (4) of the Act and the Board, from time to time, may:
  - 1.5.1 entrust to or confer upon the *ex officio* directors all or any of the powers and authorities vested in them for such purposes and objects and upon such terms and conditions as they may deem fit; and
  - 1.5.2 determine that the *ex officio* directors shall not be subject to the provisions relating to retirement or retirement by rotation of Directors.
- 1.6 The Board may, in writing, invite the Company's beneficiaries, supporters and stakeholders to nominate in writing at least two (2) nominees who reside within the Company's area of operation to serve on the Board of Directors until the next Annual General Meeting, provided that:
  - 1.6.1 The Board shall, together with the invitation, provide a written description of the key duties and responsibilities of directors, the preferred experience, skills and knowledge required by the Board and the eligibility criteria as contained under the Companies Act;
  - 1.6.2 Anyone of the Company's beneficiaries, supporters and stakeholders may nominate, in writing, one (1) candidate together with a brief motivation of the candidate's skills and expertise;
  - 1.6.3 Nominations should be submitted to the Company's office at least seven (7) calendar days before the AGM and nominated candidates must at least three (3) calendar days before the AGM submit to the Company's office a statement confirming that he/she is available to accept the nomination and has adequate time available to fulfil the key duties and responsibilities of directors; and



- 1.6.4 The Board of Directors may, in their sole and absolute discretion, select two (2) of the eligible candidates to serve on the Board of Directors until the next AGM, provided that the Board of Directors shall not be obliged to make any selection if they regard such decision to be in the bests interest of the Company.
- 1.7 In addition to satisfying the qualification and eligibility requirements set out in section 69 of the Act, to become or remain a Director of the Company, a person need not satisfy any further eligibility requirements or qualifications.

## **2. Authority of the Board**

The authority of the Board to manage and direct the business and affairs of the Company, as set out in section 66 (1) of the Act is limited or restricted to the extent that:

- 2.1 The Directors may act, notwithstanding any vacancy in their number, but if and for so long as their number is reduced below the minimum number of three [3] Directors required to act as such for the time being, the continuing Director/s may act only for the purpose of increasing the number of Directors to the required minimum and to protect the interests of the Company.

## **3. Vacation of office of Director**

The office of Director shall automatically be vacated if:

- 3.1 the Director is disqualified in terms of the Act; or
- 3.2 the Director becomes mentally ill (as defined in the Mental Health Care Act, 17 of 2002 or its successor) and being incapable of executing his or her fiduciary duties or if a competent Court should, for whatever reason find that s/he is unable to conduct his/her own affairs; or
- 3.3 the Director resigns by giving written notice to the Company; or
- 3.4 the Director is sequestered, or s/he files an application for the surrender of his/her estate or an application for an administration order, or if s/he commits an act of insolvency as defined in the insolvency law for the time being in force; or
- 3.5 the Director is removed by a resolution signed by all the remaining Directors; or
- 3.6 the Director is removed by a two-thirds resolution of the remaining Directors at a meeting of the Board; or
- 3.7 Is removed in terms of a resolution by the Board of Directors, after being absent at two [2] consecutive Board meetings without an excuse considered reasonable in the Board's sole discretion.

## **4. Board meetings**

- 4.1 The authority of the Board to consider a matter other than at a meeting, as set out in section 74 of the Act is limited to the extent that only a



resolution consented to in person, or electronically, by all voting Directors shall be valid as if it had been passed at a duly convened meeting of the Board.

- 4.2 The right of the Directors to requisition a meeting of the Board, as set out in section 73 (1) of the Act, may be exercised by any Director, and the Chairperson of the Board must upon the request of any two (2) Directors, convene a meeting of the Directors.
- 4.3 The authority of the Board 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) of the Act is not limited or restricted by this Memorandum of Incorporation.
- 4.4 The authority of the Board to determine the manner and form of providing notice of its meetings, as set out in section 73 (4) of the Act is limited or restricted to the extent that:
  - 4.4.1 At all meetings of Directors, the quorum necessary for the transaction of business shall be at least one-half of the serving Directors, provided that if a quorum is not present within half an hour after the time appointed for the commencement of a meeting of Directors, such a meeting shall stand adjourned until a date and time to be determined by those present, who shall constitute a quorum for the sole purpose of determining such date.
  - 4.4.2 Every resolution of the Directors shall be passed by a majority vote. The Chairperson shall have a casting vote.
  - 4.4.3 Each Director present at a meeting shall be entitled to exercise one (1) vote.
  - 4.4.4 The Chairperson shall be entitled to preside over all meetings of Directors. If no Chairperson is present to act within fifteen (15) minutes of the time appointed for the commencement of such meeting, the Vice-Chairperson if so appointed shall preside over such meeting, if the Vice-Chairperson is also not present Directors present shall choose any other of their number to be Chairperson of such meeting.
- 4.5 The Directors must, at every Board meeting following the third Annual General Meeting as referred to Article 2, paragraph 1.3, elect from amongst their number a Chairperson and may elect or appoint such other officers as it shall deem appropriate who shall hold office until the next Annual General Meeting.
- 4.6 The Chairperson and any other officer appointed by the Board may be removed from their respective offices by a resolution of the Board supported by at least two-thirds of the Directors at a Board meeting at which not less than two-thirds of the whole number of members of the Board shall be present.
- 4.7 The Directors shall ensure that proper minutes and attendance records shall be kept and retained of all meetings of the Board pursuant to the Act.





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

## **5. Indemnification of Directors**

- 5.1 The authority of the Board to advance expenses to a Director, or indemnify a Director, in respect of the defence of legal proceedings, as set out in section 78 (4) of the Act, is limited by this Memorandum of Incorporation to the extent that:

5.1.1 Every Director and other officer of the Company shall be indemnified out of the funds of the Company for any reasonable and necessary costs and expenses properly incurred at the request, and with the authority, and in the course of the business of the Company and for all acts done by them in good faith on its behalf; and

5.1.2 No Director or officer of the Company or member of a sub-committee duly appointed by the Board, shall be liable for the acts, receipts, neglects or defaults of any other Director or office bearer, or for any loss, damage or expense suffered by the Company, which occurs in the execution of the duties of his or her office, unless it arises as a result of his or her own dishonesty, breach of duty, or failure to exercise the degree of care, diligence and skill required by law.

- 5.2 The authority of the Board to indemnify a Director in respect of liability, as set out in section 78 (6) of the Act is not limited or restricted by this Memorandum of Incorporation.

## **6. Committees**

The authority of the Board 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) of the Act, or to include in any such committee persons who are not Directors, as set out in section 72 (2)(a) of the Act is limited, restricted or extended to the extent that the Board may delegate any of its powers or functions to a committee provided that: such delegation and conditions are reflected in the minutes for that Board meeting, at least one Director serve on the committee, the Board in advance approves all expenditure of the committee, and the Board may at any time revoke the delegation or amend the conditions.

## **Article 3 - General Provisions**

### **1. Finances**

- 1.1 The financial year of the Company is the last day of March.
- 1.2 Financial transactions shall be conducted by means of a banking account.



## 2. Annual General Meetings

2.1 Annual General Meetings may voluntarily be held by the Company within six (6) months of the end of each financial year. The business of each Annual General Meeting shall include the following:

- a. The presentation and adoption of the Annual Narrative and Financial Report;
- b. The (re-)appointment of Auditor;
- c. Appointment of Directors, where applicable; and
- d. Such other matters as may be considered appropriate by the meeting.

2.2 Annual General Meetings of the Company shall be conducted and regulated in accordance with the procedures provided for in paragraph 4 of Article 3 (Board meetings) and the Board may invite the Company's beneficiaries, supporters and stakeholders to attend the AGM, but not to participate in voting.

## 3. Dissolution of the Company






The Company may be dissolved pursuant to the provisions of the Act.

## 4. Audited Financial Statements

4.1 The Company's Annual Financial Statements shall be audited voluntarily.

4.2 Since the Company elects to be audited voluntarily, as required by this Memorandum of Incorporation, section 90 of the Act (prohibitions on Auditor), section 91 of the Act (resignation of Auditor), section 92 of the Act (rotation of Auditor) and section 93 of the Act (restricted functions of an Auditor) do apply to this Company. Any Auditor so appointed must be a Registered Auditor. If the Company appoints a firm as its Auditor, any change in the composition of the Members of that firm shall not by itself create a vacancy in the office of Auditor.

### ADOPTED BY THE DIRECTORS OF THE COMPANY:

NAME OF DIRECTORS	SIGNATURE
MPOKO LECHEURS LESIAS MASHEGO	
ASHLEY THERON	
THERESA LUYT	
INEZ FRANCESCA DA GAMA	
LEZANNE NOLENE VILJOEN	
ANTHONY LEWIS WILSON	