

MODEL CONSTITUTION FOR A NON-SPECIFIC PRIMARY CO-OPERATIVE

Note:

1. Primary co-operative means a co-operative whose object is to provide employment or services to its members and facilitate community development, formed by a minimum of:
 - (a) five natural persons; OR
 - (b) two juristic persons; OR
 - (c) a combination of any five persons, whether natural or juristic
2. A primary co-operative may join a secondary co-operative.

20251209 (LEGACY) PRIMARY CO-OPERATIVE LTD

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PRIMARY CO-OPERATIVE LIMITED

1. NAME

- (a) The name of the Co-operative is 2021209 Primary Co-operative Limited.
- (b) The abbreviated name is not applicable

2. FORM OF CO-OPERATIVE

This is the constitution of a business undertaking formed as a **Primary** Co-operative with limited liability in terms of the provisions of the Co-operatives Amendment Act, 2013 (Act 6 of 2013).

3. DEFINITIONS OR INTERPRETATION OF TERMS

In this constitution, unless the context indicates otherwise, a word or expression to which a meaning is attached in the Co-operatives Act, 2013 (Act 06 of 2013) shall have a similar meaning and -

“Activity plan” means a document that summarizes the operational and financial objectives of the co-operative for the next financial year, including –

- (a) clear business goals with reasons why these goals are believed to be attainable; and
- (b) how funds in the co-operative will be utilized;

“Annual report” means a report prepared by the Board containing financial statements, a social report and the management decision report;¹

“Annual return” annual submission of Form Co-op 08 together with the co-operative’s audited report² or independently reviewed³ report or annual report⁴ as well as social and management decision reports;

“Auditor” **an independent professional who is registered with the Independent Regulatory Board for Auditors as a Registered Auditor (SA);**

“Audited report” means a report by an auditor examining and evaluating the financial statements, social report and management decision report;⁵

“Board” means the Board of directors elected by the members of the co-operative to manage the affairs of the co-operative

¹To be submitted by category A primary co-operatives. Annual reports prepared by the boards of directors of category A primary co-operatives must be approved by members at the annual general meeting.


² Only applicable to category C primary co-operatives, secondary co-operatives, tertiary co-operatives and the national apex co-operative.

³ Only applicable to category B primary co-operatives.

⁴ Only applicable to category A primary co-operatives.

⁵ To be submitted by category C primary co-operatives, secondary co-operatives, tertiary co-operatives and the national apex co-operative.

"Co-operative"	in addition to the meaning as defined in the Act, it also refers to this co-operative to which this constitution relates;
"Entrance fee"	means a once off fee of R200 and non refundable payable to obtain membership of the co-operative, and is paid on application for membership ⁶ ;
"Financial Statements"	means statements approved by the Board for a particular financial period and includes – <ul style="list-style-type: none"> (a) Statement of financial position (balance sheet); (b) Statement of profit or loss & other comprehensive income (an income statement); (c) A statement of changes in equity; (d) A statement of cash flows; and (e) Notes, comprising a summary of accounting policies and other explanatory notes⁷.
"Forfeiture"	means a member who has defaulted in effecting payments timeously or partially paid and hasn't settled the balance whose membership gets terminated after failing on grace period.
"Gender"	a reference in this constitution to the masculine gender shall also include the feminine gender and <u>vice versa</u> ;
"Grace"	means a period of 30 days that is given to a member who faces unforeseen circumstances to remedy the situation inter alia outstanding balance or risk of termination.
"Independent Reviewer"	An accredited Accountant who is authorized by law and his/ her professional body to independently review a set of annual financial statements
"Independently reviewed report"	means a report by an independent reviewer examining and evaluating the financial statements, social report and management decision report: ⁸
"Member"	means member of the co-operative by virtue of clause 7 below
"Member loan"	means a loan made by a member to a Co-operative in terms of clause 9;
"Membership fee or subscription fee"	means an annual fee payable towards the running of the co-operative, and may be paid off in equal monthly instalments ⁹ ;
"Patronage proportion"	member with a Co-operative during a specified period bears to the value of the transactions conducted by all the members during the same period with or through the Co-operative
"Registrar"	means the Registrar at the Companies and Intellectual Property Commission (CIPC).
"the Act"	means the Co-operatives Act, 2013 (Act 6 of 2013);
"User pay"	means a system used by the co-operative to recover the running cost of the co-operative based on the number of transactions done by the member or services used by the member. ¹⁰


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4. REGISTERED OFFICE AND PLACE OF BUSINESS

⁶The payment of an entrance fee may not be a requirement for all co-operatives, especially for co-operatives that offers shareholding to members.

⁷ Financial statements are prepared the Board (or persons appointed by the Board) but approved by members at the annual general meeting.

⁸ Required to be submitted by category B primary co-operatives.

⁹ Co-operative may recover the running cost for the co-operative from members through annual membership fees or on a 'user pay' system

¹⁰ Co-operative may recover the running cost for the co-operative from members through annual membership fees or on a 'user pay' system

- (a) The main place of business of the Co-operative is situated at
19 Tambach Street
Sunninghill
2191
Gauteng
- (b) The postal, electronic address, telephone and fax numbers of the co-operative are as follows:
Postal Address: P.O. Box 6356, Cresta, 2118
E-mail: musa@xulugrp.co.za
Tel.: 087 550 1881
Fax number: 086 691 5668
- (c) Any change of the registered office, place of business, postal address, electronic address, and telephone or fax numbers must be submitted to the registrar within fifteen days of such change.

5. OBJECTIVES¹¹

The objectives of the Co-operative are -

- (a) To invest in the own a bank scheme with eNL Mutual Bank
.....
- (b) To ensure the organisation's long-term success and viability whilst having the best interests of members in accordance with corporate governance
.....
- (c) To serve the member needs to meet the common socio-economic needs and aspirations of its members.....
- (d) To open a general trust bank account with any of the commercial banks and/or financial institutions
.....

6. SERVICES TO MEMBERS AND ANY RESTRICTIONS ON BUSINESS

- 6.1 A co-operative must record all business transactions concluded with members and non-members in its annual financial statements.

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- 6.2 The co-operative may have to register with the Financial Intelligence Centre as an Accountable Institution because it may be taking cash investments from its members to join the scheme.

7. MEMBERSHIP

7.1 Minimum requirements for membership

- 7.1.1 Any natural person, who is over the age of 18 years or a juristic person or any minor or non South African or non South African minor represented by a legal guardian may, on

¹¹ The objectives must be aligned to the needs and requirements of each co-operative as determined by its members application to the Board, become a member of the Co-operative¹².

- 7.1.1 If the membership of the co-operative is reduced to a number less than the number required for registration, and it remains as such for six months, the co-operative must either be deregistered or converted into another legal entity as required in terms of section 26 of the Act.

7.2 Application for membership to the co-operative

- 7.2.1 Application for membership and for the number of shares an applicant wishes to take up shall be made on the form provided for that purpose and shall be accompanied by the entrance fee¹³.
- 7.2.2 The Board must consider every application for membership and has the right to accept or reject an application .
- 7.2.3 The Board must, within 3 months after receipt of an application for membership, notify the applicant of its decision and, in the event of an application for membership being rejected; any amount paid by the applicant to the Co-operative must be refunded to the member.

A person becomes a member of the Co-operative when his application for membership has been accepted by the Board and ratified by the members at the annual general meeting or at the general meeting.

7.3 Entrance Fee and Membership Fee / Subscription Fee

- 7.3.1 An entrance fee of R200.00 must be paid on application for membership.¹⁴ Such fee is not refunded on termination of membership.
- 7.3.2 A membership fee/subscription fee of R10.00 must be paid annually or alternatively in equal monthly instalments. Membership fees are paid towards the cost of running the co-operative and shall not be refunded on termination of membership.¹⁵

7.4 Rights of members

- 7.4.1 Members have the right to do business with or through the Co-operative.
- 7.4.2 Members that are not suspended or expelled from the co-operative, have the right to attend meetings of the co-operative.
- 7.4.3 During voting at meetings of members, each member has the right to one vote¹⁶.

7.5 Obligations of members

- 7.5.1 Members must adhere to this constitution and any amendments thereto, as well as any other by-laws made by the Board of Directors from time to time.
- 7.5.2 Members must participate in the business of the co-operative.
- 7.5.3 Members must notify the co-operative whenever any of their personal details change, for example when their physical addresses change.

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- ¹² The co-operative may stipulate the requirements for membership in its constitution provided that it not discriminatory, i.e. if the requirements are persons who either "carry out a farming operation or carry out an objective for which the co-operative is formed, these requirements must be applied fairly and without discrimination.
- ¹³ That is if the Co-operative requires the payment of an entrance fee. Co-operatives may prefer the buying of shares rather than entrance fees in which case the constitution should stipulate the minimum payment required in terms of shareholding.
- ¹⁴ Co-operatives may prefer not to use an entrance fee but rather payment in terms of minimum shareholding.
- ¹⁵ Co-operatives may prefer to use a "user pay" system to recover the cost for running the co-operative instead of annual membership fees.
- ¹⁶ Voting rights stipulated in the constitution must be aligned to the minimum requirements as stipulated in section 3 of the Amendment Act, e.g.in category A and B primary co-operatives members may only have one vote.

8. SHARES¹⁷

8.1 Issue of shares and minimum shareholding

- 8.1.1 The shares issued by the Co-operative must all be of the same class, ranking and nominal value.
- 8.1.2 The nominal value of each share must be **R10.00**
- 8.1.3 When the co-operative is founded each member must have a minimum of **100 number of shares.**
- 8.1.4 From the time that the co-operative is three years in operation, every member shall be bound to hold a minimum number of shares in the co-operative prescribed by a scale which shall be approved by members in general meeting on the recommendation of the board: Provided that the scale must relate to business done by members with the co-operative. Whenever it appears that a member does not hold the number of shares prescribed by the applicable scale, the board may issue to the member without application therefore such number of shares as will make up the insufficiency and 100% of the nominal value of such shares shall immediately become payable upon such issue: Provided that before such issue of shares is made to any member, he shall be afforded an opportunity, of at least 30 (thirty) days, to acquire the requisite number of additional shares from any other member holding shares in excess of the above scale.
- 8.1.5 The closing date to buy shares will be no later than 31 January 2026
- 8.1.6 In the event of a sale of shares, if the market capitalization has appreciated, the value will be determined on the value of the scheme
- 8.1.7 Withdrawal within the lock in period shall attract a penalty fee, which is 1%.....

8.2 Certificates of Membership

- 8.2.1 Membership certificates shall be issued in such form, as the Board shall determine. These member certificates shall state the name of the Co-operative that the Co-operative is subject to the Act, the name of the person to whom it is issued and that the certificate represents membership shares in, or member loans to, the Co-operative and the number of the membership shares or the amount of the member loans.
- 8.2.2 The scheme will notify members who are in default alerting them of the risk of forfeiture.

8.3. Liability in respect of forfeited shares

- 8.3.1 A person whose shares have been forfeited is responsible for immediate payment to the co-operative of the entire amount unpaid on such shares.
- 8.3.2 All moneys paid to the co-operative in respect of forfeited shares must be paid into the

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- general reserve.
- 8.3.3 Notice must be given to the member in whose name the shares were registered prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of members.
- 8.3.4 Interest on share capital or bonus or any other amount accruing to a member and which is payable by the co-operative to the member, must be applied to pay calls on shares and/or amounts unpaid on forfeited shares, due but unpaid at the time such interest, bonus or other amount becomes payable to the member concerned.

9. LOANS

9.1 Prohibited and permitted loans and security

- 9.1.1 The co-operative may not give financial assistance by means of a loan to the members

¹⁷ The constitution may provide for membership shares to be issued.

10. LIMITATION OF LIABILITY

- 10.1 Member's obligation towards the liabilities of the Co-operative by virtue of his or her Membership shall be limited to an amount equal to the nominal value of the shares held by the member in so far as that amount has not been paid up.
- 10.2 Members are liable for such amounts owed to the co-operative in terms of unpaid fees and shares

11. ASSOCIATE MEMBERS

- 11.1 Non-members who want to or provide support services or who benefit from the co-operative may, upon application and approval by the Board, be appointed as associate members of the co-operative.
- 11.2 Associate membership is temporary and is valid for a period not exceeding 12 months. Associate members may, however, at any time apply for full membership.
- 11.3 An Associate member may have an option to convert their associate membership and take up full membership at a fee of R...
- 11.4 After the period of 12 months, an associate member, subject to the approval by the Board of the co-operative –
- (a) May apply to become a full member of the co-operative; or
 - (b) May apply to have his/her associate membership renewed for a further period of 12 months.
- 11.5 Associate members may be elected as non-executive Directors.
- 11.6 Associate members do not have any voting rights and they do not participate in any annual bonus distributions.

12. TRANSFER OF MEMBERSHIP, MEMBERS LOANS AND SHARES

- 12.1 Membership and Shares may be transferred only with the approval and on the authority of the Board which shall satisfy itself that the proposed transferee is qualified to be a member of the Co-operative.

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- 12.2 The Board may at any time refuse to approve and register a proposed transfer.
- 12.3 The transfer of any membership shall be in writing in such form and signed in such manner as the Board from time to time may stipulate.
- 12.4 When such transfer has taken place the Board shall issue to the transferee a membership card, and/ or a Member Certificate.

13. CONDITIONS AND PROCESSES FOR TERMINATION OF MEMBERSHIP

13.1 Termination on death

- 13.1.1 The membership of a member who has died may in terms of this clause be transferred to a member of that deceased member's family or another person appointed by the executor of the deceased member's estate subject to the approval by the Board. In the event of such transfer not taking place, the membership of the deceased member shall be terminated by resolution of the Board.
- 13.1.2 The shares registered in the name of a member who has died, must be cancelled by resolution of the Board at the request of the executor or liquidator of the estate.
- 13.1.3 Upon such cancellation the Co-operative must, pay to the executor or liquidator or trustee the amount paid up on the nominal value of the shares for payment to the estate of the deceased member.
- 13.1.4 Any amount payable by the Co-operative shall be set off against any debt for the payment of which the member or his estate is liable.
- 13.1.5 The expiry date will be guided by the Law of Prescription.

13.2 Termination when a member is non-active


- 13.2.1 Whenever a member does not actively participate in the activities of the Co-operative for a period of one year¹⁸ or has neglected to notify the Co-operative of any change in his address, whereby the Co-operative is prevented from contacting him, his or her membership may, be terminated by resolution of the Board.
- 13.2.2 The shares of such member may be cancelled by resolution of the Board.
- 13.2.3 Upon such cancellation, the amount paid up on such shares must be transferred to a special account called "Unclaimed Share Moneys". If no claim against this account is received and paid by the Co-operative within 3 (three) years of such transfer, the amount concerned is forfeited to the Co-operative and transferred to the general reserve of the Co-operative: Provided that if the value of the shares, according to the latest completed financial statements of the Co-operative, is less than their nominal value, the amount to be transferred, shall -

¹⁸ The period needs to be determined by the co-operative based on the seasonal nature of its farming operations, e.g. hardwood timber takes about 10 years to grow before it can be harvested.

- (a) If the shares are fully paid up, be an amount equal to the value so determined; or
- (b) If the shares are not fully paid up, be an amount that stands in the same proportion to the amount paid up on the shares, as that which the value so determined of the shares stands to their nominal value.
- 13.2.4 Any amount payable by the Co-operative shall be set off against any debt for the payment of which the member is liable.

14. WITHDRAWAL OF MEMBERSHIP


- 14.1 The resignation of a member comes into operation at the first meeting of the Board held after


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- the Co-operative has received the written resignation of the member.
- 14.2 The membership of a member, who has resigned, shall be terminated by resolution of the Board.
- 14.3 There will be a waiting period of 5 years before members can access their investments unless there is a death which is guided by clause 13.1
- 14.4 The shares of a member, who has resigned, shall be cancelled by resolution of the Board. The amount paid up on such cancelled shares shall, at the discretion of the Board and provided funds are available, be repaid to the member within a period of two years from the date of cancellation: Provided that if the value of the shares, according to the latest completed financial statements of the Co-operative, is less than their nominal value, the amount payable shall -
- (a) if the shares are fully paid up, be an amount equal to the value so determined; or
 - (b) if the shares are not fully paid up, be an amount which stands in the same proportion to the amount paid up on the shares as that which the value so determined of the shares stands to their nominal value.
- 14.5 Any amount payable by the Co-operative shall be set off against any debt for the payment of which the member or his estate is liable.
- 14.6 Withdrawal of a member from the co-operative does not release the member from any debt or obligation to the co-operative or any contract between the member and the co-operative.

14 CONDITIONS AND PROCESS FOR SUSPENSION AND EXPULSION

- 14.1 A member who repeatedly contravenes a provision of this constitution or who refuses to comply with such provision or to meet an obligation imposed on the member by the Act or in terms of this constitution or which he agreed to meet, may -
- (a) by resolution of the Board, be suspended as a member for a period to be determined by the Board but which shall not be longer than the date of the next annual general meeting;
 - (b) by special resolution be suspended as a member for a period not longer than 12 (twelve) months from the date on which he is suspended
 - (c) by special resolution be expelled from the co-operative.
- 14.2 The suspension of a member may be revoked by resolution of the Board at any time.
- 14.3 Before a member can be suspended or expelled in terms of clause 15.1, he or she has to be given prior written notice of the intention of the Board.
- 14.4 The notice to such member must contain the following particulars-
- 14.4.1 the reasons for the proposed suspension or expulsion; and
 - 14.4.2 a time when, and place where the member may appear in person, with or without witnesses, before the Board or to which he may send a written statement signed by the member setting out his objections to the proposed suspension or expulsion.
- 14.5 The Board must notify the member in writing if it has decided to suspend or expel a member, by specifying the following -
- 14.5.1 the reasons for the suspension or expulsion;
 - 14.5.2 the date on which his suspension or expulsion comes into effect;
 - 14.5.3 the period of time during which the suspension will apply; and
 - 14.5.4 the disciplinary measures which will be taken
- 14.6 The principle of *aude alteram parterm* (meaning right to be heard) shall apply at all times.

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15 DISCIPLINARY MEASURES

15.1 While under suspension a member forfeits his right to attend general meetings or to vote by proxy.

16.1 The members by special resolution or the Board may furthermore stipulate that certain or all transactions with a member must be suspended for the period of his suspension.

15.2 The membership of an expelled member must be terminated by resolution of the board and upon such termination the member forfeits his membership fees and the amount paid in respect thereof must be credited to the general reserve.

15.3 Any amount payable by the Co-operative to the expelled member shall be set off against any debt for the payment of which the member is liable.

15.4 The principle of *aude alteram parterem* (meaning right to be heard) shall apply at all times.

16 GOVERNANCE OF CO-OPERATIVES

16.1 Board of Directors

16.1.1 The affairs of the Co-operative must be managed by a Board of Directors consisting of a minimum of 2 and a maximum of 6 Directors. Directors must be elected at the annual general meeting. The Directors must exercise the powers and perform the duties of the Co-operative.

16.1.2 The term of office of Directors should not exceed five (5) years¹⁹. To ensure consistency in the operations of the co-operative the term of office of directors will be arranged in a manner to ensure that the term of office of all directors does not terminate at the same time.

16.1.3 In the event of a vacancy the Board may by way of a resolution appoint a director for the remainder of the period referred to in clause 17.1.2 provided that such resolution must be ratified by members at the next general meeting.

16.1.4 Associate members may be elected as non-executive directors.

16.1.5 Only directors who are full members of the co-operative shall have voting rights.

16.1.6 The Board can elect alternate directors to assist with its functions in case other directors are not available.

16.2 Powers and restrictions on directors

16.2.1 Powers of Directors:

- (a) The directors have the power to open a bank account in the name of the co-operative.
- (b) Directors have the power to enter into contracts on behalf of the co-operative for the day-to-day running of the business of the co-operative or to delegate such power by resolution to such authority to the senior management of the co-operative.
- (c) The directors have the power to suspend by resolution a member for a period to be determined by the Board but which shall not be longer than the date of the next annual general meeting.
- (d) The directors have the power to acquire or hire movable or immovable property on behalf of the co-operative.
- (e) The directors have the powers to register for Income Tax

16.2.2 Restrictions on directors:

- (a) The directors have the power to overdraw a bank account or to make a loan on behalf of the co-operative, provided that members has agreed to this with a special resolution: Provided further that the directors may borrow or raise money or overdraw a banking account without the said authority up to an amount not exceeding one half of the total of its share capital and general reserve.
- (b) The directors shall not provide loans to directors, members or any other

¹⁹ The Co-operative is to determine a reasonable term of office for directors.

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- person or organisation.
- (c) The director shall not make donations on behalf of the co-operative to any person or organisations.

16.2.3 Persons not competent to be Director

No person shall hold the office of Director if -

- (a) A person is of unsound mind;
- (b) A person is an unrehabilitated insolvent;
- (c) A person who has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery, perjury, or any offence involving dishonesty in connection with the formation or management of a Co-operative or other corporate entity.

16.3 Term of office

16.3.2 The term of office of the Directors of the Co-operative shall be 5 years. The directors whose terms of office have expired are eligible for reelection.

16.3.3 Retiring Directors are eligible for re-election.

16.3.4 The Directors to retire each year shall be those who have been longest in office since their last election at the annual general meeting, but as between members who became Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by ballot.

The directors are eligible to serve up to a maximum of two (2) successive terms of office whereafter one (1) term would have to pass before being considered for election.

16.4 Nomination of Directors and voting for Directors

16.4.2 Candidates for the position of Director shall be nominated openly at the annual general meeting held for the purpose of electing one or more Directors.

16.4.3 Without prejudice to the provisions of sub-clause 16.3 a member, including a retiring Director, qualifies for election as Director only if he is nominated in terms of sub-clause 16.1.5.

16.4.3.1 If the number of candidates nominated does not exceed the number of vacancies on the Board to be filled such candidate or candidates shall be declared elected at the annual general meeting.

16.4.3.2 If the number of candidates nominated exceeds the number of vacancies on the Board, as many Directors as there are vacancies shall be elected from the nominees at the annual general meeting.

16.4.3.3 If insufficient or no candidates are nominated to fill the vacancies on the Board, such vacancies shall be regarded as casual vacancies to be filled in accordance with 17.1.3.

16.4.4 The method to be followed in electing Directors shall be as determined by the Chairperson of the meeting and agreed by members.

16.4.5 At the election of Directors, a member shall vote for as many candidates as there are vacancies to be filled on the Board and those candidates receiving the highest number of votes shall be declared elected.

16.4.6 The Board can co-opt a director to fill a vacancy until the next annual general meeting.

16.5 Filling of a vacancy on the Board

16.5.1 Any vacancy occurring on the Board during the year shall be filled by cooption until the next annual general meeting by a member appointed, by the remaining Directors. At the said annual general meeting a member shall, subject to the provisions of this constitution, be elected to fill the vacancy. Any Director elected at such annual general meeting shall not hold office for a period

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longer than the unexpired portion of the period of office of the Director whose office became vacant.

16.5.2 In instances where the remaining term was three (3) and more, such a remaining shall be construed as having served a terms.

16.6 Conditions for Vacation of office

16.6.1 A Director shall vacate his office: -

- (a) If he/ she becomes ineligible in terms of clause 16.1 or incompetent in terms of clause 16.2.3 of this constitution to hold the office of Director; or
- (b) If the member absents him or herself from more than three consecutive ordinary meetings of the Board without its leave; or
- (c) Upon the expiry of 30 (thirty) days, or such shorter period as may be approved by the Board, after he has resigned as a Director of the Co-operative.

16.6.2 Conditions and Processes for the appointment of the Chairperson, Vice-Chairperson and Acting Chairperson of the Board

- (a) At the first meeting of the Board held after the formation meeting and thereafter at the first meeting of the Board held after every annual general meeting of members or when the necessity arises, the Directors shall elect from among themselves a Chairperson and Vice-Chairperson.
- (b) The Vice-Chairperson shall act as Chairperson whenever last-named is absent or unable to act as Chairperson, and if both the Chairperson and Vice-Chairperson are absent or unable to carry out the functions of the Chairperson, the Board must elect another Director to be Acting-Chairperson during such absence or incapacity.
- (c) The Chairperson of the Board of the Co-operative shall vacate the office of Chairperson if he -
 - Ceases to be a member of the co-operative; or
 - Ceases to be a Director of the Co-operative; or
 - Resigns as Chairperson; or
 - Is relieved of the office of Chairperson by the Board.
 - The provisions of clause 17.8.3 shall *mutatis mutandis* apply to the vice-Chairperson of the Board.


16.7 Board meetings and Quorum

- (a) A meeting of the Board must be convened by the Board or the Chairperson of the Board or any three (3) two Directors of the Co-operative.
- (b) The majority of Directors shall constitute a quorum of a meeting of the Board.
- (c) Questions arising at a meeting of the Board shall be determined by a majority of the Directors present at the meeting and in the case of an equality of votes, the Chairperson of the Board or the person acting as Chairperson shall have a casting vote in addition to his deliberative vote.
- (d) In the event of a deadlock, the Chairperson has a casting vote.

16.8 Other office bearers

The Board shall also elect a Secretary who will form part of Secretariat with the Deputy Secretary, Treasurer, Fund Raiser and the Organise

16.9 By-laws


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The Board has the power to make by-laws provided they are not repugnant to this constitution.

16.10 Delegation of powers and/or functions to a committee, director or manager

- 16.10.1 The Board can take decisions via round robin, which must be ratified at the next virtual or Physically meeting
- 16.10.2 The Board may delegate one or more of its powers and/or functions to a Director or to a Committee, director or manager appointed by the Board or Manager of the Co-operative.
- 16.10.3 Any Director or Committee or Manager so appointed must in the exercise of the powers and/or functions so delegated, abide by such rules as may be made and follow such instructions as may be issued, in regard thereto, by the Board.
- 16.10.4 If and when a Board meeting has sat, the Board may delegate the Chairperson to sign the extract of minutes which becomes a binding resolution
- 16.10.5 In the absence of the Board Chairperson or Vice Chairperson, another Director shall be elected by the meeting to act as Chairperson of the convened meeting.

16.11 Voting by members

- 16.11.1 The members shall exercise their rights to vote in an annual general or special meeting
- 16.11.2 At all meetings of the co-operative, each member shall have one vote²⁴.
- 16.11.3 Any matter for decision by a general meeting shall be decided by means of a vote on a show of hands.
- 16.11.4 A vote by ballot shall not be held unless it is demanded by at least five members²⁵ present at the meeting who are entitled to vote in a vote by ballot.
- 16.11.5 A vote by ballot must be held in such manner as the Chairperson stipulates. A scrutiner must be nominated to determine the result of the vote that must be declared by the Chairperson of the meeting as the resolution of the meeting.
- 16.11.6 A declaration by the Chairperson that a resolution has, on a show of hands or by ballot, been carried, or carried out unanimously or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the meeting, shall be conclusive proof thereof, without evidence as to the number or proportion of votes recorded for or against such resolution.
- 16.11.7 If no objection is raised in terms of the provisions of this constitution against the validity of any vote cast at the meeting, whether on a show of hands or by ballot, every vote cast at the meeting that has not been disallowed shall for all purposes be deemed to be valid.
- 16.11.8 In the case of an equality of votes, whether on a show of hands or in a vote by ballot, the Chairperson of the meeting shall have a casting vote in addition to his deliberative vote.
- 16.11.9 Every matter submitted to a general meeting for resolution, except for a matter requiring a special resolution, shall be determined by a majority of votes recorded at the meeting.

16.12 Special resolutions

- A resolution by a general meeting of the Co-operative shall, constitute a special resolution if -
- the notice by which the general meeting was convened specified particulars of the proposed resolution and stated the intention to propose same as a special resolution;
 - the resolution has been passed by not less than two thirds of the members present, both in a vote on the show of hands and a vote by ballot; and
 - the resolution related to the winding-up of the Co-operative and was passed by at least 75 percent of the votes of all the members of the Co-operative, both in a vote on the show of hands and a vote by ballot.

16.13 Proxies

- 16.13.1 Any member is allowed to use a proxy
- 16.13.2 A member of the co-operative may appoint another member of the co-operative as a proxy to participate in and vote at a general or special meeting on behalf of the member

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concerned, provided that the member does not appoint more than one proxy to exercise that member's voting rights;

16.13.3 If the co-operative has less than 20 members, a member may only carry one proxy. If the co-operative has more than 20 members, the number of proxies a member may carry may not be more than 5 per cent of the membership of the cooperative.

16.13.4 A proxy appointment must be in writing, must clearly set out the details of the vote to be cast on behalf of the member in respect of each decision on the agenda and remains valid for the period expressly set out in the appointment unless it is revoked in writing by the member concerned prior to the meeting;

²⁴In Category A and B primary Co-operatives each member shall have one vote. In Category C primary Co-operatives, Secondary Co-operatives, Tertiary Co-operatives and the National Apex Co-operative members may have more than one vote provided that such voting will be limited to the minimum requirements stipulated in section 3 of the Amendment Act. For Secondary co-operatives, tertiary co-operatives and the national apex co-operative, voting must be in proportion to the number of membership held by each member.

²⁵ The number should be determined by the constitution of the co-operative.

16.13.5 The number of votes by proxy during any general or special meeting may not exceed 25 per cent of the total membership of the co-operative.

17. FINANCIAL MANAGEMENT

a. Banking account

- i. The Co-operative must open a general trust banking account in the name of the Co-operative in which all moneys received shall be deposited as soon as possible after receipt thereof.
- ii. Cheques drawn on the banking account shall be signed by one of the Directors and must be countersigned by the Secretary of the Board: Provided that a cheque shall not be signed and countersigned by the same person and that all officers who are authorized to sign or countersign cheques must furnish adequate security.
- iii. The general trust account shall be utilised until such time that the Prudential Authority has approved the transaction to invest in eNL Mutual Bank.

b. Financial year

The financial year of the Co-operative shall end on the last day of 28 February of each year.

c. Financial records

- i. The Co-operative must keep such accounting records as are necessary fairly to reflect the state of affairs and business of the Co-operative and to explain the transactions and financial position of the business of the Co-operative.
- ii. The accounting records shall be kept at the registered office of the Co-operative and shall be available at all times for examination by members and Directors for a period of five years after the end of the financial year to which they relate.

d. Annual financial statements

- i. An annual report²⁶, independent reviewed²⁷ report or an audited report²⁸, depending on the category of primary co-operative, of the affairs of the co-operative must be conducted annually in respect of each financial year in order to –
 1. ensure that financial statements are drawn up in conformity with generally accepted accounting practices;
 2. verify that the co-operative has maintained adequate records in accordance with the requirements of this constitution and the Act;
 3. report generally as to whether the assets and facilities of the co-operative are being properly managed and the operations of the co-operative are being conducted in

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- 4. accordance with co-operative principles; and report on any other matter the auditors are required to report on in terms of the constitution.
- ii. The provisions of clause 19.4.1 are applicable to the annual financial statements of the Co-operative and its company subsidiaries.

e. Surplus

- i. The surplus resulting from the operations of the Co-operative during any financial year shall, on the recommendation of the Board, be applied by resolution of the annual general meeting for that year: Provided that -

²⁶ Category A primary co-operatives must submit annual reports.

²⁷ Category B primary co-operatives must submit independently reviewed reports.

²⁸ Category C primary co-operatives, secondary co-operatives, tertiary co-operatives and the national apex co-operative must submit audited reports.

- ii. A percentage of the surplus, which must not be less than one per cent of the co-operative net asset value as reflected in the most recent annual report, independently reviewed report, or audited report, depending on the category of primary co-operative. The indivisible reserve is indivisible amongst members.
- iii. The records on the indivisible reserve must be separately recorded in the financial records of the co-operative
- iv. The indivisible reserve may be only be used for the following:
 - a. To sustain the co-operative during periods of financial crises;
 - b. To finance capital expenditure for the co-operative; and
 - c. To finance training and capacity building for the benefit of the members of the co-operative.

The co-operative must report fully on the use of all its reserves in its annual financial statements.

f. Payment of bonus

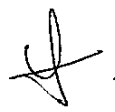
- i. The method for the allocation of bonuses as well as the actual payment of bonuses must be stipulated in the constitution of the co-operative.
- ii. Bonuses declared payable to members, does not earn interest from the co-operative.
- 19.6.4 Unclaimed bonuses must be transferred to a Deferred Bonus Payment fund.
- iii. Any bonus remaining unclaimed for a period of 3 (three) years from the date on which bonus was declared payable may, by resolution of the Board, be declared forfeited and added to the general reserve of the Co-operative.

18. RECORD KEEPING BY CO-OPERATIVE AND ACCESS TO INFORMATION

- a. The co-operative must keep at its offices the following:
 - (a) Its constitution, including any amendments thereto.
 - (b) The minutes of general meetings in a Minute Book.
 - (c) The minutes of meetings of the board of directors and supervisory committee in a Minute Book.
 - (d) A list of members or register of members setting out-
 - (i) the name, identity number (if a natural person) or business registration number (if juristic person) and address of each member.
 - (ii) the date on which each member became a member.
 - (iii) if applicable, the date on which a person's membership was terminated and the reason for termination of membership.
 - (iv) the amount of any membership fees paid, the number of membership shares owned and the number and amount of member loans.
 - (e) A register of directors setting out-
 - (i) the name, address and identity number of each director, including former directors.

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- (ii) the date on which such directors became directors of the co-operative
 - (iii) the date on which such directors ceased to be directors and the reason why they are no longer directors of the co-operative.
 - (iv) the name and address of any other co-operative, company or close corporation where both present and former directors are, or were, directors or members.
 - (f) A register of director's interest in contracts or undertakings.
 - (g) Information on the nature and value of contributions made by each member to the co-operative.
 - (h) Adequate accounting records, including records reflecting the transactions between each member and the co-operative for the purpose of calculating the patronage proportion.
- b. The co-operative must retain its accounting and financial statements as records for a period of five years after the financial year to which they relate.
- c. Members of the co-operative may examine the records referred to in clause 20.1 and 20.2 during

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normal business hours of the co-operative and may make copies thereof after payment of an agreed fee.

- d. Subject to the Promotion of Access to Information Act, 2000, the board of directors may, for a reasonable period of time, refuse information relating to any commercial transaction of the co-operative if there are reasonable grounds to believe that the disclosure may be to the disadvantage of the co-operative.
- e. Where the constitution of a co-operative provides for the establishment of a nominations/ supervisory committee, the supervisory committee must determine whether the board of directors is entitled to withhold information in terms of clause 20.4

19. AMENDMENT OF CONSTITUTION

The constitution of the Co-operative may be amended at annual general meetings or at a special general meeting or by special resolution only.

20. LIQUIDATION

In case of liquidation the patronage proportion must be determined for either five years, which preceded the commencement of the winding-up of the Co-operative, or the period for which the Co-operative has existed, whichever period is the shorter.

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NAME OF CO-OPERATIVE 20251209 PRIMARY CO-OPERATIVE
 NOTE: THIS PAGE MUST BE SIGNED BY ALL FOUNDER MEMBERS FOR PRIMARY CO-OPERATIVE

FULL FORENAMES, SURNAME AND IDENTITY NUMBER OF FOUNDER MEMBER (PRIMARY CO-OP)	PHYSICAL AND POSTAL ADDRESS OF FOUNDER MEMBER (PRIMARY CO-OP)
---	--

Full forenames <u>Tshikweng Moliva</u> Surname <u>Monjai</u> ID No <u>9305170975084</u> Signature: <u>[Signature]</u>	Home address <u>32 Hill Street</u> <u>Ferndale</u> <u>Randburg 2194</u> Postal address <u>Same as above</u>
Full forenames <u>Dilatleng Monica</u> Surname <u>Makgai</u> ID No <u>8503120737080</u> Signature: <u>[Signature]</u>	Home address <u>House 11, Rivbend</u> <u>Estate, Muendyk and Le Roux</u> <u>Avenue, Kyalami Hills 1684</u> Postal address <u>same as above</u>
Full forenames <u>Sphive Simon</u> Surname <u>Khanyo</u> ID No <u>7703235855089</u> Signature: <u>[Signature]</u>	Home address <u>969 Masoka Street</u> <u>Jabulani</u> Postal address <u>Same as above</u>
Full forenames <u>Itumeleng Pertunia</u> Surname <u>Manyapelo</u> ID No <u>9011280337088</u> Signature: <u>[Signature]</u>	Home address <u>2501 CECIL CRESCENT</u> <u>POORINKOP EXT 1</u> <u>1723</u> Postal address <u>same as above.</u>
Full forenames <u>Feziwe Mary-Jane</u> Surname <u>Tintane</u> ID No <u>7401110848085</u> Signature: <u>[Signature]</u>	Home address <u>50 Quarry wood</u> <u>13 Straight avenue</u> <u>Pineslope - Fourways</u> Postal address <u>SAME AS ABOVE.</u>

FULL FORENAMES, SURNAME AND IDENTITY NUMBER OF FOUNDER MEMBER (PRIMARY CO-OP)	PHYSICAL AND POSTAL ADDRESS OF FOUNDER MEMBER (PRIMARY CO-OP)
Full forenames... <u>MUSTAFENICOSI</u> Surname... <u>Xulu</u> ID No... <u>7308045298080</u> Signature: <u>[Signature]</u>	Home address... <u>185 NORTHRIDGE PARK</u> <u>360 KENYON HOWDEN ROAD</u> <u>WOODLANDS, 4004</u> Postal address... <u>P.O. Box 6376</u> <u>CRESTA</u> <u>2118</u>
Full forenames..... Surname..... ID No Signature:	Home address..... Postal address.....
Full forenames..... Surname..... ID No Signature:	Home address..... Postal address.....
Full forenames..... Surname..... ID No Signature:	Home address..... Postal address.....
Full forenames..... Surname..... ID No Signature:	Home address..... Postal address.....

NAME OF CO-OPERATIVE

20251209 PRIMARY CO-OPERATIVE

Reg No: 2025/005182/24
Tax No.: 9818587199
19 Tambach Road
Sunninghill,
Gauteng, 0081
E-mail
Telephone:
Website:


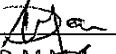
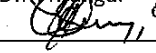
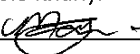
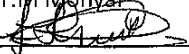
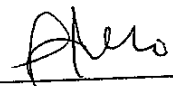
RESOLUTION

At the meeting of the Board of Directors of 20251209 Primary Co-Operative (and/or whichever name is approved by the CIPC upon registration), it was resolved we apply for the Ezi Transact payment gateway and order devices to facilitate transacting online. It was resolved furthermore resolved that all minors should be represented by a legal guardian and reduce the age of eligibility as follows: -


- South African minors below 18
- Non South African adults
- Non South African minors

Thus signed on this 17th day of DECEMBER 2025

Directors: -

1. 
M Xulu
2. 
D.M Makgai
3. 
S.S Khanyi
4. 
T.M Monyai
5. 
F.M Tintane
6. 
I.P Manyapelo

Witnesses: -

1. 
2. _____
3. _____
4. _____
5. _____

Directors: M Xulu (Chairman), T.M Monyai (Deputy), F.M Tintane (Deputy Secretary), S.S Khanyi (Treasurer), Additional: I.P Manyapelo
Company Secretary: D.M Makgai