

LEGAL MEMORANDUM & STRATEGIC SERVICE AGREEMENT

TO: Executive Board & Management, Nexus-WC Logistics NPC

DATE: 16 October 2026

SUBJECT: Legal Framework for Third-Party Advertising and Commercial Monetization via Nexus Platforms

SECTION 1: LEGAL FEASIBILITY & REGULATORY FRAMEWORK

1. Introduction and Scope

Nexus-WC Logistics NPC (Registration No: 2026/677623/08) operates as a non-profit company (NPC) under the South African Companies Act 71 of 2008. As a community and logistics platform, allowing third-party service providers to advertise on official digital assets, specifically the website (www.nexus-wc.org.za) and moderated WhatsApp broadcast groups, Facebook, and other social media pages, presents distinct legal and structural opportunities and compliance requirements.

2. Legal Viability for an NPC

- **Non-Profit Mandate Compliance:** Under Section 10 and Schedule 1 of the Companies Act 71 of 2008, an NPC may engage in commercial activities and generate revenue, provided that its income and property are applied solely to the promotion of its stated objectives. Monetizing advertising space is legally

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permissible as long as surplus funds are reinvested back into the NPC's operational ecosystem to benefit its members.

- **Liability and Indemnification:** Nexus acts strictly as an advertising medium and referral platform. The agreement must explicitly disclaim liability for the quality, pricing, or execution of services rendered by third-party advertisers.
- **Data Privacy (POPIA):** Compliance with the Protection of Personal Information Act (POPIA) is mandatory. Member contact details within WhatsApp groups or mailing lists cannot be sold or disclosed to advertisers. Instead, advertisements must be pushed downward through official Nexus channels, preserving member privacy.

SECTION 2: LEGAL MONETIZATION MODELS (BENEFITTING NEXUS)

To ensure that Nexus-WC Logistics NPC legally and sustainably derives financial benefit from platform advertising without compromising its non-profit status or tax standing, three primary structures are established:

1. **Sponsorship and Platform Advertising Fees (Fixed or Tiered):** Advertisers pay a recurring fee (monthly/campaign-based) for prominent banner placement on the website and designated broadcast rights within WhatsApp groups.
2. **Affiliate / Referral Commission Model:** The service provider pays a pre-agreed commission percentage or fixed bounty per verified transaction or member

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booking originating from Nexus channels.

3. **Value-in-Kind / Member Benefit Exchange:** While generating direct monetary revenue, the partnership directly subsidizes member costs (e.g., guaranteed 10% discounts for Nexus members), reinforcing the core value proposition of the NPC ecosystem.

SECTION 3: DRAFT SERVICE AGREEMENT

COMMERCIAL ADVERTISING AND PARTNERSHIP AGREEMENT

ENTERED INTO BY AND BETWEEN:

NEXUS-WC LOGISTICS NPC

(Registration Number: 2026/677623/08)

Represented herein by its duly authorized representative

(hereinafter referred to as **"Nexus"**)

AND

[INSERT SERVICE PROVIDER LEGAL NAME / TRADING AS]

(Registration / Identity Number: [Insert Registration Number])

Represented herein by its duly authorized representative

(hereinafter referred to as **"the Advertiser"**)

1. PREAMBLE & APPOINTMENT

1.1. Nexus operates a digital logistics platform, website (www.nexus-wc.org.za), and

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professional communication channels (including moderated WhatsApp groups) targeted at logistics operators and transport fleets in the Western Cape.

1.2. The Advertiser operates commercial vehicle servicing and washing facilities (including Truck Wash Epping).

1.3. Nexus hereby grants the Advertiser, and the Advertiser accepts, the non-exclusive right to advertise its services across designated Nexus digital channels subject to the terms and conditions set forth in this Agreement.

2. DURATION AND COMMENCEMENT

This Agreement shall commence on **[Insert Start Date]** and shall continue for a period of twelve (12) months, automatically renewing on a month-to-month basis unless terminated by either party upon thirty (30) days written notice.

3. OBLIGATIONS OF THE ADVERTISER

3.1. **Exclusive Member Benefit:** The Advertiser undertakes to extend a mandatory minimum discount of **10%** (or agreed preferential pricing, e.g., Tri-axle flat deck wash at R650) to all verified members of Nexus upon presentation of proof of affiliation.

3.2. **Marketing Materials:** The Advertiser shall supply accurate, high-quality promotional assets that comply with all applicable advertising standards and consumer protection laws.

3.3. **Payment of Advertising Fees:** In consideration for the digital advertising

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exposure, the Advertiser shall pay to Nexus:

- *Option A:* A monthly advertising fee of **[Insert Amount]** payable on or before the 1st day of each calendar month; and/or
- *Option B:* A referral fee of **[Insert %]** per confirmed transaction derived directly from Nexus digital channels.

4. OBLIGATIONS OF NEXUS

4.1. Nexus shall publish approved promotional advertisements on its official website and distribute verified promotional broadcasts through designated WhatsApp networking groups.

4.2. Nexus shall maintain active promotion of the partnership to encourage member patronage of the Advertiser's facilities.

5. INTELLECTUAL PROPERTY & DATA PROTECTION

5.1. Each party retains exclusive ownership of its respective trademarks, logos, and brand assets. Limited license to use logos is granted solely for the execution of this campaign.

5.2. Neither party shall harvest, misuse, or distribute member contact information in contravention of the Protection of Personal Information Act (POPIA).

6. LIMITATION OF LIABILITY & INDEMNIFICATION

6.1. Nexus provides advertising placement on an "as-is" basis and makes no express

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warranties regarding exact conversion volumes or revenue generation.

6.2. The Advertiser indemnifies and holds Nexus harmless against any claims, damages, liabilities, or legal actions arising from the Advertiser's delivery of services, pricing disputes, or operational conduct.

7. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Republic of South Africa.

IN WITNESS WHEREOF the parties have executed this Agreement on this _____ day of _____ 2026.

For and on behalf of NEXUS-WC LOGISTICS NPC

(Duly authorized)

For and on behalf of THE ADVERTISER

(Duly authorized)

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