

THE COMPANIES ACT, 2013
MEMORANDUM OF ASSOCIATION

OF

ERPNext Open Source Software Foundation

**(A Company limited by Share Capital Not for Profit under Section 8 of the
Companies Act, 2013)**

- I. The name of the Company is ERPNext Open Source Software Foundation.

- II. The registered office of the Company will be situated in the State of Maharashtra within the jurisdiction of Registrar of Companies, Maharashtra at Mumbai.

- III. (A) THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:
 1. Educating, inspiring, improving, and furthering the development of the open-source enterprise resource planning (ERP) software “ERPNext” as well as the underlying software framework “Frappe Framework” and promoting its value to both users and developers.

 2. Soliciting and managing contributions to the Frappe Framework and ERPNext code base.

 3. Publicising, promoting the adoption of, and facilitating the ongoing development of related technology to Frappe Framework and ERPNext as well as educational resources. This includes, but is not limited to, maintaining a public web site, planning conferences and offering grants to Frappe Framework or ERPNext-related open source projects.

 4. Building an ecosystem and enhancing communication within the ecosystem.

5. Creating products and marketplaces with which the community can interact and share information and services.
6. Continuously improving the project by sponsoring features, documentation, and fixing bugs.
7. Promoting the development of free and open source software, in India as well as around the globe and generating awareness about free and open source software in the general public and specifically among computer programmers and students.
8. Empowering local programmers to the use of free platforms, tools and technologies that provide the means to develop local solutions to local problems.
9. No objects of the Company will be carried out without obtaining prior approval/ NOC from concerned authority whenever required.

None of the objects of the Company will be carried out on commercial basis.

(B.) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE:

1. To assist in setting up software groups and promoting group-centered activities.
2. To provide training on appropriate skills and enterprise management in connection with software developments.
3. Training software professionals on optimum and safe use of production inputs to help ensure the safety of both software professionals and end users.
4. To assist software professionals to build better technology related to ERPNext.
5. To conduct research and development in software and developing and supporting higher programmers.

6. To provide assistance to software professionals for marketing their products both in India and abroad, as well as providing all marketing information.
7. To conduct market studies in India and abroad, as well as on an adhoc basis.
8. To provide support to free software by way of documentation, expert help or any other means.
9. To offer services such as adjudication and conflict resolution within the free software domain.
10. To give opportunities to young professionals in the field of software development to acquire first-hand field experience.
11. To engage experts/consultants in information technology to educate software programmers on modern software development methods suitable to their professional needs.
12. To appoint agents or managers and constituting branches or agencies of the Company and conducting the objects of the Company through such agencies or branches within or outside of India.
13. To raise awareness of the public and software professionals of the advantages of free and open-source software through regular media campaigns.
14. Disseminating information useful to the software professionals through lectures, discussions, books, correspondence, and other methods.
15. To create and maintain relationships with any agency dedicated to establishing standards of ERP and related software.
16. To advise government, local authorities and public bodies on measures to be taken to prevent any contravention or undue unfair advantage by any of software professionals concerned where such contravention would affect the produce/price of software programmes.
17. To prepare, edit, print, publish, issue, acquire, and circulate books, papers, periodicals, gazettes, audio, video, and other literature.

18. To prepare, edit, print, publish, issue, acquire and circulate books, papers, periodicals, upon the industry, trade or commerce relating to the software.
19. Constructing, acquiring, purchasing, or leasing lands, buildings or other immovable or movable property that the company may from time to time deem necessary to acquire, purchase or take on lease.
20. Selling, improving, managing, developing, exchanging, loaning, subletting, mortgaging, disposing of, or otherwise dealing with all or any part of the property of the Company without entering into real estate business.
21. To enter into contracts in connection with the objectives of the Company including drawing, making, accepting, endorsing, discounting, and executing negotiable instruments and investing the surplus money not immediately required of the Company in any bank as approved by the Board of Directors.
22. To subscribe to, becoming a member of, and co-operating with any other association, whether incorporated or not, whose objects are, altogether or in part, similar to those contained in this Memorandum and to obtain from and communicate to any such Association such information as may likely to fulfill the objects of this Company.
23. To obtain loans, borrowings and financial facilities from banks, financial institutions, companies or corporations, and to furnish security by way of mortgage or other financial arrangements using the Company's properties and assets.
24. To manage the Company with an institutional framework marked by independent and autonomous authority, responsibility, and flexibility for dynamic operation to achieve the following:
25. To encourage the mobility of staff from other organisations who can bring technical expertise to enrich the Company, including the various government departments, state/central public sector undertakings and autonomous organisations and societies to the Company.

26. To establish special procedures to facilitate the functioning of the Company and its various operational activities, including matters relating to recruitment, personnel, finance, administration, purchasing, and travel.
27. To procure prior approvals, no objection certificates, or licenses from the concerned authorities wherever required and / or prescribed, to carry out the main objects of the Company, including to comply with requirements of the Income Tax Act, 1961, Income Tax Rules, 1962, and any amendments thereto.
28. To amalgamate with, or enter into partnership or into any arrangement for sharing profits, union of interest, joint venture, reciprocal concession or co-operation with, any person or company carrying on, engaged in, or proposing to carry on or engage in, any business or transaction which the Company is authorized to carry on or engage in, or which is capable of being conducted so as directly or indirectly to benefit the Company, and to take or otherwise acquire and hold, sell or otherwise deal with shares, stock, securities, obligations or other interest in any such person or company, and to subsidize or otherwise assist any such person or company.
29. To acquire all or any part of the business, goodwill, assets or property, contracts, agreements rights, privileges, effects and to undertake any liabilities of any person or company possessed of property suitable for any purpose of the furthermore of the objects of the Company, or carrying on any business which the Company is authorized to carry on, and upon any terms and for any consideration, and in particular for money or money's worth or in consideration of the issue of shares, debentures, securities or obligations of the Company, or otherwise as may be deemed fit.

30. To apply for, promote and obtain any act, privilege, concession, license, authorization of any Government, state or municipal provisional order or license of any authority for enabling the Company to carry out its objects into effect or for extending any of the powers of the Company, or for effect any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interest of the Company or its members.
31. To undertake and execute any trusts, the undertaking of which may seem to the Company desirable and either gratuitous or otherwise.
32. To indemnify officers, directors, agents and servants of the Company against proceedings, costs, damages claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company, or any loss damage or misfortune, whatever, which shall happen in the execution of the duties of their office or in relation thereof.
33. To procure the Company to be registered or recognized in any part of the world.
34. To establish offices at such place or places in India or elsewhere in order to carry out the objects of the Company.
35. To open and operate upon accounts of any description with any bank or banks and close the same.
36. The doing of all other lawful things as are necessary, incidental or conducive to the attainment of the above object.

Provided that the company shall not support with its funds, or endeavour to impose on, or procure to be observed by, its member or others, any regulation or restriction which, if an object of the company, would make it a Trade Union.

- IV. The objects of the Company extend to all countries in the world where the ecosystem exists.
- V. (i) The profits, if any, or other income and property of the company, whensoever derived, shall be applied, solely for the promotion of its objects as set forth in this memorandum.
- (ii) No portion of the profits, other income or property aforesaid shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to persons who, at any time are, or have been, members of the company or to any one or more of them or to any persons claiming through any one or more of them.
- (iii) No remuneration or other benefit in money or money's worth shall be given by the company to any of its members, whether officers or members of the company or not, except payment of out-of-pocket expenses, reasonable and proper interest on money lent, or reasonable and proper rent on premises let to the company.
- (iv) Nothing in this clause shall prevent the payment by the company in good faith of prudent remuneration to any of its officers or servants (not being members) or to any other person (not being member), in return for any services actually rendered to the company.
- (v) Nothing in clauses (iii) and (iv) shall prevent the payment by the company in good faith of prudent remuneration to any of its members in return for any

services (not being services of a kind which are required to be rendered by a member), actually rendered to the company.

V. No alteration shall be made to this Memorandum of Association or to the Articles of Association of the Company which are for the time being in force, unless the alteration has been previously submitted to and approved by the Registrar of Companies.

VII. The liability of the members is limited.

VIII(a) The authorized Share Capital of the Company is Rs. 1,00,000/- (Indian Rupees One Lac only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Indian Rupees Ten only) each.

(b) The Minimum paid-up capital of the Company is Rs. 1,00,000/- (Indian Rupees One Lac only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Indian Rupees Ten only) each.

IX. True accounts shall be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the company; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the company for the time being in force, the accounts shall be open to the inspection of the members. Once at least in every year, the accounts of the company shall be examined and the correctness of the balance-sheet and the income and expenditure account ascertained by one or more properly qualified auditor or auditors.

X. If upon a winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company but shall be

given or transferred to such other company having objects similar to the objects of this company, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to the Rehabilitation and Insolvency Fund formed under section 269 of the Companies Act, 2013.

- XI. The Company can be amalgamated only with another company registered under section 8 of the Companies Act, 2013 and having similar objects.