

# Rights and Liabilities attaching to shares - Annexure to Disclosure Statement

Each member can hold only one full share or one foundation share or one introductory share

Share	Cost	Voting	Liabilities & Conditions	Rights & Benefits	Dividends
<b>Full Share</b>	\$ 100,000  Can be paid off after a deposit of \$20,000.- (Interest payable on outstanding balances)	Full Voting rights	Annual membership levy: \$1000  Maintain <a href="#">active membership</a>  Contribute labour as per <a href="#">Labour and Food Schedule</a> (only when residing on Co-Op land)  Must be at least 18 years of age	Right to rent any class of accommodation at minimal rent.  (see <a href="#">rent schedule</a> )  Ability to sell/trade share as described in s18 Rules	Receives dividends for paid up value, which can be used by members to pay up shares
<b>Foundation Share</b>  There are only eleven foundation shares available.	\$100,000  Can be paid off after a deposit of \$20,000.- (Interest payable on outstanding balances)	Full Voting rights  Foundation shareholder	This class of share has all of the liabilities of a full share.  The special voting right is transferrable onto any other full shareholder. If a foundation shareholder has not transferred this right before her/his death or as part of her/his will, the general meeting will assign this right to another full share holder.  No allocation of bonus investment shares are associated with this voting right and it's transfer	This class of share has all of the rights and benefits of a full share.  In addition, foundation shareholders will receive non-specific bonus investment shares to the value of 15% of the paid up part of their share at the time of incorporation. These bonus investment shares cannot be sold or traded until the foundation share is paid in full, the number of full shareholders is larger then the number of foundation shareholders, and not earlier then five years after the formation meeting. unless the Co-Op resolves at a general meeting that these bonus investment shares become tradable earlier.	Receives dividends for paid up value, which can be used by members to pay up shares

<b>Introductory Share</b>	\$ 10,000	An Introductory share holder is an in-active member and as such has no voting rights until he/she becomes a full share holder (see 5. (1) (a) Rules).	Annual membership levy: \$500 Maintain <a href="#">active membership</a> Contribute labour as per <a href="#">Labour and Food Schedule</a> (only when residing on Co-Op land) Must be at least 16 years of age Introductory shareholders cannot be directors and/or office holders.  This share cannot be sold or transferred and expires after 33 months.	Introductory shares give the right to live on Co-Op land at reduced rent. ( <a href="#">see rent schedule</a> )  Before this type of share expires, the shareholder can elect to have the share value converted towards a deposit for a full share.  If the share holder wishes to withdraw or is asked to leave, (s)he might apply for a refund, which cannot exceed the paid up value of the share minus any rent saved as compared with a visitor. The Co-Op can defer or refuse such refund if it would have to borrow money to do so.	This share does not earn any dividends
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<b>Investment shares</b>	<b>Capital cost per investment share \$500</b>  Only paid-up full members and foundation members can purchase additional investment shares	No additional voting rights	No annual fee  The only limit to the number of investment shares a member can hold is that no member can hold more than 20% of the Co-Op's total issued share value.  Can be project targeted or non-specific or self-interest (see below table for more details).  This class of shares must be paid in full	Ability to sell or trade the share as described in s18 Rules
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**Types of Investment shares**

**- Project targeted** If a project is funded by targeted investment shares only, 1/3 of net returns (profits) are divided pro-rata to those investment shares targeting the project, 1/3rd goes to all shares (all paid up portions of full shares plus all investment shares),

1/3rd goes to the Co-Op.

**-Non-specific** Non-specific investment share values will be doubled for dividend purposes (so a non-specific investment of 10,000 dollars will be treated as 20,000 dollars for dividend calculation purposes)

**-Self-interest** If a project is of self-interest (eg fixed asset to the members living space) the investment shares will not receive any dividends as long as they are used by that shareholder. Whenever the project becomes income producing for the Co-Op (for example if the share-holder is on holidays and this house is rented), project targeted dividends will be paid on those shares.

Ability to sell or trade the share as described in s18 Rules

**Please Note:** If a project is funded by Co-Op funds, 1/2 of the profits go to all shareholders (all paid up portions of full shares plus all investment shares), the remaining 1/2 goes to the Co-Op budget.

**Please Note:** The capital cost and value of all shares will be increased each year by the CPI of the previous financial year.

### **Interest earned before Property Purchase**

Interest earned on members paid-up share capital until the Co-Op purchases its first property will be paid as dividends to those members within one month of the property purchase (proportional to time and amounts paid).

### **Labour Contribution**

Each member (including those in their acceptance period) living on Co-Op land is required to contribute ten hours/week.

Part time residents are to contribute proportionally, however for full members this is accounted for on a yearly basis for more flexibility.

### **Active Membership Requirements**

**To maintain active membership of the cooperative, a member shall:**

1. Hold a minimum of one full or foundation share
2. Pay an application fee as outlined in the disclosure statement
3. Commit to pay annual subscription levy as outlined in the disclosure statement
4. Keep up to date with payments due
5. Commit to provide labour as per Labour and Food schedule
6. Commit to rental agreements as per Rent Schedule
7. Provide a proxy when required
8. Commit to abide by the rules
9. Provide valid contact details to the Co-Op at least once a year
10. Adhere to the Conflict Resolution Policy (Disclosure Statement Annexure)
11. Abstain from stealing and/or physical violence on any property owned or leased by Kanjini Co-Op
12. Commit to participate in the equivalent of a one week residential workshop with all members once a property has been purchased, or commit to a three month trial period.