

Awaawaroa Bay Ltd

Shareholder Agreements & Guidelines

Updated 2022 (Please note that these Agreements are undergoing an update process)

1. INTRODUCTION.....	2
2. VISION STATEMENT (<i>Amended June 2003</i>)	2
3. DECISION PROCESS AND MEETING PROCEDURES (<i>Amended 2020</i>)	2
A) Consensus	2
B) Meetings	3
C) Quorum	3
D) Special Meetings	4
E) Annual General Meeting.....	4
4. BUILDING GUIDELINES	4
5. PURCHASER APPROVAL PROCESS (PAP)	6
A) Background	6
B) Overview of Process.....	6
C) Roles	7
6. INHERITANCE	8
A) Inheritance Agreement	8
B) Inheritance Approval Process (IAP)	9
C) The Inheritor's responsibilities	9
D) The Company's responsibilities.....	10
E) The Personal Representative/Executor's responsibilities	10
F) Approval Process	10
7. ENTITLEMENTS	11
A) Rights attached to shares	11
B) Forfeiture	11
8. FINANCES	11
A) Mortgage.....	11
B) Ongoing Costs	12
C) Overdue Accounts	12
9. DECISION PROCESS AND MEETING PROCEDURES.....	12
A) Consensus	12
B) Meetings	13
C) Quorum	13
D) Proxy	13
E) Special Meetings.....	13
F) Annual General Meeting.....	13
10. APPENDIX.....	14

1. INTRODUCTION

The goal of this document is to provide existing shareholders and any interested or prospective shareholders - with a general agreement on how Awaawaroa Bay Ltd operates. This document is intended to be more concise and understandable than the legal documents which are necessary to conduct the business of Awaawaroa Bay Ltd. It is not fully comprehensive, but highlights items of general interest and importance. If a situation arises where it is in conflict with, or contradiction to, the legal documents (constitution and lease) the legal documents will stand.

2. VISION STATEMENT (*Amended June 2003*)

We live in community, creating a safe, sustainable environment that encompasses and enhances wholesome relationships with each other and the land.

All land use is organic, encouraging biodiversity.

We protect and enhance eco-systems and natural habitats.

Our community is based on cooperation, honesty and consensus.

We have a willingness to balance individual needs with the greater good of the community, while also valuing people's diversity.

We are a community who understands that our actions and behaviours influence the world of the future.

3. DECISION PROCESS AND MEETING PROCEDURES (*Amended 2020*)

A) Consensus

For all meetings the fundamental decision making process is via a consensus of all the shareholders attending the meeting.

Consensus decision making is based on an agreement to reach agreement, and a shared feeling that the best decisions reflect the thinking and agreement of all members in our group. Those directly affected by a decision are involved in the decision. Consensus is not unanimity. It is not necessary for every person in the group to feel that this is the solution that they would most want or even think best. Members may feel, however, that this is the best solution that can be reached at this time and under these circumstances. At any point in this process an outside facilitator or mediator can be used.

Ground Rules for Meetings

- We use "I" statements - speak personally, not on behalf of others.
- We don't interrupt.
- We speak concisely and to the point.
- We start and finish on time.
- We keep all personal content confidential.
- We value and respect each person's contribution.
- We attempt to keep relationships within the group clear by dealing with any problematic issues directly with the person concerned.

Awaawaroa Eco village has used various consensus models over the years. On 6 December 2020 it was agreed that decision making process had moved to the below process.

In summary "We endeavour to make decisions by consensus. If, after 3 attempts, this fails, we vote- requiring 80% to pass the decision."

The process:

1. Email a brief outline of your proposal when the agenda items are called for (this is not an invite to start reply comments via email, however person to person discussion is encouraged.)
2. Present the Proposal at the meeting.
3. If the proposal is not agreed by consensus, it will move to a subcommittee/focus group to research and work on the proposal. The people in this group need to include the proponent/s of the proposal and/or those in support as well as those who do not agree to the proposal. The intention is to work towards an agreed proposal.
4. The subcommittee brings their work back to a Second meeting to discuss and try to come to agreement for a 2nd time.
5. If still no agreement, the subcommittee may continue to work prior to 3rd meeting. At the third meeting an outside facilitator may be engaged to assist the proposal and process.
6. If no decision can be made at the 3rd meeting, moving to a Vote happens. Prior to any voting there must be 10 working days notification by email to the company email company@awaawaroa.org. This notification must also call for proxies for shareholders who are not able to be attend the voting meeting.
7. The proposal is successful if 80% of votes are in favour of the proposal.
8. Each share has two votes. This means a sole shareholder has two votes and a jointly owned share with 2 shareholders have a vote each. This means for a proposal to pass under these circumstances it will take 24 out of 30 votes to achieve 80%.
9. Proxies may be emailed to company@awaawaroa.org or delegated to a person attending the meeting. A person attending the meeting may hold more than one proxy for absent shareholders.

B) Meetings

- i) Meetings are held on the first Sunday of each month. There shall be a report on finance, budget position, all jobs in process, any committees established and other agenda items as required. Any other meetings will generally require two weeks' notice. *Reference: Constitution Clauses 16 and 17*
- ii) All shareholders are equal and have equal rights. Other interested parties can speak by leave of the meeting.
- iii) If a shareholder is unable to attend a meeting they are welcome to contribute their viewpoint through another shareholder or by writing to the company email.
- iv) The meeting shall agree a facilitator.
- v) Minutes shall be kept for each meeting and be circulated to all shareholders.

C) Quorum

The quorum for an ordinary meeting shall be when there are no less than 8 shares represented.

D) Special Meetings

Meetings can be called at any time under the Constitution. Two weeks' notice is required.

E) Annual General Meeting.

This meeting is to be held not later than nine months after the annual balance date of the company. Notice is to be sent to all member's last known address at least 14 days beforehand. The agenda for the AGM is to include:

- i) Confirmation of minutes from the last AGM
- ii) Submission and acceptance of the annual financial statements.
- iii) A review of the committees & their current members.
- iv) Any other business which has been notified to the Secretary prior to 7 days before the AGM.
- v) Any other business by leave of the meeting.

4. BUILDING GUIDELINES

(i) The Building Committee, consists of representatives of no less than 3 shares. The role of the committee will be to advise and evaluate all building construction and alterations on the property. People from outside can be consulted in an advisory capacity.

Upon initiating a building programme, preliminary concept plans are to be discussed with the Building Committee. All plans are to be submitted and approved by the committee and shareholders before permits are applied for from the Council. The plans will include what is required by Council and, additionally, a cross-sectional drawing which illustrates how the proposed building is in harmony with the site and landscape.

The object of the internal building code is to ensure low impact buildings in harmony with the landscape. This is to be achieved by the use of environmentally sound materials and designs sympathetic to the landscape.

(ii) Each share is allocated a 'house lot' for buildings pertaining to residential living. This includes the main house, toilet, carport, sleepout, domestic workshops, toolsheds, woodsheds, etc. This Lot Coverage must not exceed 200 sq. m. as stated in our Resource Consent. Lot Coverage is defined in Hauraki Gulf Islands District Plan as "the portion of a lot which is covered by buildings including overhanging or cantilevered parts of buildings (including any part of the eaves or spouting or bay windows projecting more than 1 metre measured horizontally)".

To build up to 200 sq m floorspace within the 200 sq m lot coverage, a second story is needed (*See height restriction in Section 3 B (v)*).

(iii) Each share can also have an Ancillary Building, a separate building from the house lot, of a maximum of 50 sq m. lot coverage. This is to be built to facilitate "the range of rural activities which residents smallholders are likely to be involved with, eg nursery, market garden, livestock, workshop, etc" (*from the Rural Property Management Plan*).

(iv) Building Designs - to be site specific. Rather than re-designing the site for the building, design the building for the site. The reason for this is to ensure minimum earthworks and modification of the landscape. Reference shall be made to the Auckland City Council publication "Design Guidelines for Buildings in the Coastal Landscape".

(v) Height - Buildings must not exceed **8M** in height from finished ground level. Preferred height restriction is

6M with the design being appropriate to site considerations.

(vi) Location - buildings to be located off ridgelines, knolls and archaeological sites, and off skylines where possible.

(vii) Building Materials - The use of environmentally friendly building materials is encouraged. The Building Committee has investigated various materials and techniques and has information available. In general the shareholder is encouraged to avoid the use of non-sustainable or over processed (high energy consuming) products and to use materials in an aesthetically pleasing way. For example the following products are not allowed: woods from non-sustainable sources - fibreglass batts - tanalised pine products (excepting existing fenceposts already on the land) (*See Appendix 1*).

(viii) Reflective Surfaces - to be kept to a minimum. Large expanses of glass should be "broken up". Roofing, if corrugated iron, to be painted or colour steel.

(ix) Colours - exterior colours (apart from trim) to be earth tones. Refer T. Heath "Colours for Structures in the Landscape".

(x) Power - The aim is to provide for our power needs with the least amount of negative environmental impact and to be diesel/petrol generator free as soon as possible. Mains power will not be provided by Awaawaroa Bay Ltd.

All utility transmission (eg. phone, power, TV etc.) lines must be underground at the expense of the shareholder. If not connected to the national power grid, residents will need to use alternative power such as solar, wind, hydro, wood stoves, etc.

Diesel/petrol generators are not permitted as an integral part of any power system but may be used as an emergency back up to recharge batteries in long periods of inclement weather or at limited times of heavy demand.

(xi) Wastewater Disposal - due to the proximity of wetland systems, composting toilets or other alternative systems will be encouraged. The recommended system for greywater disposal shall be by sub-surface irrigation with grease trap/holding tank.

(xii) Earthworks - to be constructed as per Auckland City Council guidelines "Earthworks in the Gulf Islands".

xiii) Protection Yards - all buildings to be 20m from wetlands/water systems (as per Hauraki Gulf Islands Hauraki District Plan).

(xiv) Revegetation - of houselots is encouraged in order to stabilise slopes and soften the effect of buildings. All native vegetation plantings to be from local seed source, where available.

(xv) Plans - all building plans to be approved at a meeting of shareholders. The Building Committee is set up to support this prior to applications being submitted to Auckland City Council. Plans shall include a site plan showing proposed use for total houselot so total impact of development can be assessed.

(xvi) All plans to comply with Auckland Council building code.

(xvii) Neighbours - consider the effects on your neighbours when planning your home. Even better, discuss your plans with them at an early stage

(xviii) People are strongly encouraged to use energy efficient design in their buildings. eg. lots of glass to the north for harvesting solar heat; thermal mass (floors & walls) for storing heat; lots of shade in summer to cool the house.

(xix) The intention is for people to build and live in permanent dwellings on the land.

5. PURCHASER APPROVAL PROCESS (PAP)

A) Background

Buying a share in Awaawaroa Bay Limited (ABL) is different from buying a piece of real estate. It means joining 14 other shareholders in a 169-hectare title of land, locally known as the Awaawaroa Bay Eco-village.

The existing shareholders take an active part in getting to know Potential Purchasers and ultimately decide collectively who will be a good fit for the community. It is equally important that Potential Purchasers meet all shareholders and are comfortable with how the community operates as a collective.

All the land (169 ha) is owned by ABL on one title. Owning a share gives the right to occupy a certain area and the buildings on it, but no separate title. It is generally not possible to obtain a regular mortgage, so a Purchaser will need to secure finance in other ways.

We have created the following guidelines to enable a fair and transparent process for all parties. Potential Purchasers, Sellers and shareholders are all expected to act in good faith in this process.

ABL is aware that situations may arise that are not served well by the PAP as it stands, and therefore, reserves the right to alter it accordingly should the need arise.

B) Overview of Process

The process has three main stages:

1. Advertising period: the PAP begins with a marketing period which aims to raise wide awareness of the opportunity to buy a share. Interested people are invited to email an Expression of Interest (EOI) prior to a given date. This creates a “pool” of Potential Purchasers. If ABL considers that the pool is not adequately subscribed, another advertising period may begin.

2. Due diligence and meet and greet period: Everyone in the pool is allocated a “buddy” who is an existing shareholder and resident at Awaawaroa Bay Ecovillage. A three month period is allocated for all Potential Purchasers to get to know the shareholders and vice versa. ABL expects Potential Purchasers to meet with shareholders individually and at working bees and meetings, and get to know the guidelines, processes, rights and responsibilities of shareholders.

At the end of the 3 month period, Potential Purchasers need to confirm that they would like to proceed to purchase the share and have the financial means to do so.

3. Decision meeting and sale/purchase: After 3 months the community meets to decide the Approved Purchaser(s) for the share. The Seller can speak at this meeting but does not take part in the decision. From there the Approved Purchaser has 28 days to finalise the sale with the Seller.

If shareholders do not reach consensus on an Approved Purchaser, then the process will begin again. If the sale to the Approved Purchaser falls through, other Approved Purchasers in the pool will be considered. ABL can initiate a new advertising and pool round at any time.

C) Roles

It is expected that any and all relevant communication is shared between associated parties (ie Seller, Seller's buddy, Potential and Approved Purchasers and their buddies)

The Potential Purchaser

1. Potential Purchasers must email an EOI with information about themselves, their dreams and goals- before the advertised EOI pool closes, to info@awaawaroa.org
2. Potential Purchasers should (with the support of their buddy) meet all shareholders, and attend working bees and meetings.
3. If two or more shares are for sale, Potential Purchasers can be in the process for multiple shares at the same time.
4. On the week prior to the decision meeting, Potential Purchasers need to confirm that they still would like to purchase the share and have the financial means to do so.
5. The Approved Purchaser has 28 days to finalise the sale. This can be extended at the discretion of ABL. If it is not finalised within this time, the share will be offered to the next Approved Purchaser (at the discretion of ABL).
6. At the discretion of ABL, an Approved Purchaser may be given preference to buy any other shares for sale.

The Seller

1. The Seller must email ABL a notice of intent to sell, including the price. This will be discussed at the next monthly meeting. The price of the share cannot be increased during the marketing campaign or active PAP.
2. The Seller must provide an accurate representation when advertising the share, including any limits on conditions for sale (eg settlement timeframe). Marketing will be in many forms including free and paid to reach a wide audience. The campaign details will be agreed between the Seller and shareholders at the monthly meeting. Agreed advertising costs paid for by ABL will be reimbursed by the seller on or before the sale.
3. The Seller and ABL will agree on a buddy for the Seller.
4. The Seller will determine settlement date with the Approved Purchaser.
5. The Seller must enter into negotiation with the Approved Purchaser. If the sale falls through, the Seller then negotiates with the next Approved Purchaser.
6. The Seller must pay any outstanding debts to ABL eg – rates/contributions/ use of resources etc. prior to the transfer of the share.

ABL

1. It is in ABL's interest for the share sale to be widely and well-advertised. ABL will support the Seller with

advertising (advice/finance).

2. ABL will provide an information pack for Potential Purchasers.

3. Buddies will be allocated to all Potential Purchasers and Sellers

Buddy responsibilities include:

- a) maintaining clear and transparent communication between all parties
- b) Providing contact details to arrange meetings between shareholders and Potential Purchasers
- c) assisting with any questions Potential Purchasers have
- d) providing monthly updates of the process at ABL meetings
- e) keeping Potential Purchasers informed of progress, changes, or outcomes during the PAP
- f) providing and asking for feedback at the end of the process for future improvement of the PAP

4. Shareholders reach consensus on the Approved Purchaser(s). If there is more than one Approved Purchaser, shareholders will create a list. If the Seller and the first AP can't finalise the sale, then the next Approved Purchaser on the list will be invited to negotiate.

5. ABL will provide the seller and purchaser with suitable documents to use for the share transfer.

6. ABL reserves the first right to buy any available share. If this is intended, the PAP will be halted prior to the pool closing.

7. ABL must work with the seller to resolve any outstanding debts before the share transfer.

6. INHERITANCE

A) Inheritance Agreement

This document sets out the process by which a share at Awaawaroa Bay Limited (the Company) may be inherited, following the death of a current shareholder of the Company.

All shareholders of the Company are encouraged to make a will in order to support the need for ABL to approve new shareholders. This Inheritance Agreement is to be included in the will documents, so that both the family and the Personal Representative of the deceased are made aware that there is an inheritance process with regards to the share. The Company will appoint a person to be the initial contact with the family and the executor.

The Company has made provision for how a share is to be dealt with upon the death of a shareholder as follows:

(i) If the inheritor wishes to become a shareholder.

The Inheritor applies to start the Inheritance Approval Process (IAP). If they are accepted, they become a shareholder. If they are not accepted, the share is to be sold as set out in the Purchaser Approval Process (PAP)

If the Inheritor is a person who, as a child, grew up at Awaawaroa Bay, there is a presumption that they will be accepted as a shareholder. They will go through the IAP with the goal of acceptance granted by consensus.

However, if consensus cannot be achieved then a fall-back arrangement is triggered. Three meetings are held to

resolve differences, with the third meeting facilitated by an independent mediator. If consensus has not been achieved by the end of the third meeting, then the decision goes to a vote. Acceptance as a shareholder will then require a 'yes' vote from 80 percent of the eligible decision making shares.

(ii) If the inheritor is not yet ready to become a shareholder (For instance: a child of the deceased is studying and does not yet know if they wish to live at Awaawaroa Bay and take on the responsibilities of a shareholder.)

In this case, the share may be rented out under the Rental Approval Process (RAP) and reviewed 5-yearly. The inheritor may also wish to live at Awaawaroa Bay as a trial, without becoming a shareholder. If, at some point, they decide to apply to become a shareholder, they then enter the IAP as outlined in point 1 above.

If this arrangement is not working for shareholders, the Company, ultimately, has the right to require the share to be sold.

(iii) If the prospective inheritor is a minor. In this case, the share may be held on behalf of the minor, until the minor is able to make a decision to become a shareholder under the IAP.

While the share is so held, it may be rented out under the Rental Approval Process (RAP) and reviewed 5-yearly. However, if this arrangement is not working for shareholders, the Company ultimately has the right to require the share to be sold.

B) Inheritance Approval Process (IAP)

The Inheritance Approval Process (IAP) is between the representative of the deceased shareholder (the Personal Representative), the proposed inheriting party (the Inheritor) and Awaawaroa Bay Ltd (the Company).

If the Inheritor wishes to become a shareholder, they may apply to the Company for approval under the IAP. The inheritor must apply to become a shareholder within one year of the Probate being granted. This time frame may be extended upon application to the Company. The IAP is a 90-day process which begins on receipt of a letter of application from the Inheritor. A buddy from the community will be assigned to the Inheritor and the Personal Representative.

The purpose of the IAP is:

- (i) For the Inheritor to confirm their interest in being part of the community; and
- (ii) For the 90-day period to be a process by which the Inheritor can discover whether their expectations match the 'reality' of life at Awaawaroa Bay, before they commit themselves (with the Company ultimately giving approval of their becoming a shareholder.)
- (iii) For Awaawaroa Bay shareholders to meet the inheritor and to discover if the inheritor is a 'good fit'.

Note: The 90-day period can be reduced or extended by the company upon application by the Inheritor.

C) The Inheritor's responsibilities

- (i) Writing a dated letter expressing their wish to inherit the share, including information about themselves. This might include: current life situation (family, work, lifestyle, etc.); some life history; and dreams and goals for living in community at Awaawaroa Bay.

- (ii) Making contact with their allocated buddy, and ensuring transparency between themselves, the Personal Representative and the respective buddies.
- (iii) Making contact with, and meeting, shareholders. This can be done through visiting individual shareholders and attending meetings and working bees.
- (iv) Reimbursing the Company any expenses incurred by the Company that are directly related to the share transfer.
- (v) Ensuring that any debt owed by the share to the Company is paid.

D) The Company's responsibilities

- (i) Acknowledging that the inheritance process comes about through the death of a loved one and allowing flexibility in the timing of the start of the IAP process.
- (ii) Allocating a 'buddy' for the Inheritor.
- (iii) Ensuring a transparent and clear channel of communication between the Inheritor, the Personal Representative and ABL shareholders.
- (iv) Ensuring that shareholders take opportunities to meet the prospective new member.
- (v) Making the final decision on the eligibility of all prospective shareholders, using the IAP.
- (vi) Ensuring that both the Inheritor and the Personal Representative understand that the Company (ABL) shall refuse to transfer the share, as long as that share has a debt. However, the Company and the Inheritor may enter an agreement for repayment of the debt.

E) The Personal Representative/Executor's responsibilities

- (i) Giving written notice to the Company that the Inheritor is eligible under the will to inherit the share.
- (ii) Ensuring a transparent and clear channel of communication between the Inheritor and the Company.

The Personal Representative is welcome to attend Company meetings. However, the Personal Representative has no decision-making rights, including whether the inheritor becomes a shareholder under this IAP process.

F) Approval Process

Acceptance to become a shareholder is by full consensus at a meeting of shareholders following the conclusion of the 90-day period. (The exception to this is where the Inheritor is a person who, as a child, grew up at Awaawaroa Bay. The approval process in this instance is outlined in 1a.). Determining whether the inheritor is a child grown up at Awaawaroa Bay will be decided at a company meeting by consensus.

Should the Inheritor not be approved to become a shareholder, the share must be put on the market and sold in accordance with the Purchaser Approval Process.

7. ENTITLEMENTS

A) Rights attached to shares

(i) Each shareholder is a director of the Company, except in the case of joint holders where the person first named on the share register is the director. All shareholders are encouraged to attend meetings and to fully participate in the decisions of the company.

(ii) One person can hold no more than one share. Each share can be held jointly by no more than four persons.

(iii) Shareholders will have a right to access all Company information including, but not limited to, financial statements, accounting books, work logs, etc. This information will be kept in a secured area with access provided to each shareholder. Until such time as this is set up each member can access information through the Secretary and/or Treasurer (*Reference: Constitution Clause 30*).

(iv) To each share is attached the right to erect and occupy one dwelling and associated structures on the site designated in the Management Plan and allocated at the time of purchase.

NOTE: Legally the Company owns the land and all the improvements. The Company will therefore grant a lease to the shareholders for their dwelling (Reference: Constitution Clause 2(b)).

(v) With restrictions and approvals the dwelling can be sublet (*Reference: Lease Clause 10*).

(vi) Each share will have a total land allocation of **1 Hectare** as designated in the Management Plan.

NOTE: Under the resource Management Act a lease of land for over 20 years is treated as a subdivision.

Instead, the Company will allocate a parcel of land to the shareholder, granting exclusive use rights.

Shareholders can also "lease" additional land from the Company.

(vii) The shareholder may request to lease part or all of **their land allocation** to people outside the Company. All leases of this nature will require approval of the Company. Permission will not be unreasonably withheld. Leases will require compliance to our Constitution and Bylaws.

Reference: Lease Clause 10. NOTE: The Company may also agree to lease appropriate common land, not including allocated sites to non-shareholders (Reference: Lease Clause 25).

(viii) A shareholder is entitled to access all common land and community facilities (*Reference: Lease Clause 19ix*). Our Community works because of the commitment and voluntary work that members contribute.

B) Forfeiture

In the case of forfeiture, the Company will handle the entire process of transferring the share to a new shareholder. Any outstanding payments and expenses will be deducted and the remaining proceeds provided to the forfeiting shareholder in a timely manner. It should be noted that the Company retains a lien on the share until fully paid (*Reference: Constitution Clause 2(f)*).

8. FINANCES

A) Mortgage

All shareholders are singularly and jointly liable for re-payment of any current company mortgages. For further

details on the Mortgages see the legal documents held in the archives.

B) Ongoing Costs

- (i) The weekly contribution fee for the coming year (to cover rates, maintenance and management) will be agreed upon at the Annual General Meeting taking into consideration inflation etc. This will be updated after the AGM. As of January 2019 the fee is \$220 per month (*Reference: Constitution Clauses 2(g) and 2(i), Lease Clauses 1 and 2*).
- (ii) If a situation arises where the Company does not have enough funds to meet ongoing commitments, the Company may call on each shareholder to pay up to \$500 a year to cover these commitments (*Reference: Constitution Clause 2(h)*).
- (iii) The Company Treasurer, after consultation with the Shareholders, will submit a proposed **Budget** for the coming year to a shareholders' meeting for approval. The proposed budget will include all ongoing maintenance expenses including, but not limited to, rates, permits, administration, insurance, legal and professional services, equipment and building maintenance, as well as any proposed and approved capital improvements.
- (iv) Shareholder/community members will have first option on contracting to do any required budgeted work for that year. Any work contract will be proposed, discussed, and approved at the monthly meetings and minutes of the meeting will serve as record of such agreement for work contract by shareholders/community members. All work contracts will agree to a fair hourly labour rate for jobs with a "not to exceed" clause specifying a total labour cost for the job.
Should the job exceed this cost, further approval will be required at a subsequent monthly meeting with consideration of the budget position of the Company..
- (v) All work done within the community, as agreed to in the budget, will be paid for by the Company with a credit system against community dues for ongoing costs.

C) Overdue Accounts

- (i) If a shareholder is late for any payment due to the Company, the late payment may incur interest at 2% per month on the outstanding debt.
- (ii) The Company may send a letter notifying the shareholder of the overdue amount and provide a period of 60 days to remedy the outstanding debt.
- (iii) If the account is not settled within the 60-day period, the shareholder may lose speaking rights until the account is settled. Additionally, unless appeal is made and accepted by all the other shareholders, an overdue shareholder may be required to sell his/her share(s) in the manner specified (*Reference: Constitution Clause 21.2*).
- (iv) It should be noted that in the case of joint holders any/all holders are liable for debt to the Company. Therefore, the risk is with the joint shareholders and should be managed by them appropriately.

9. DECISION PROCESS AND MEETING PROCEDURES

A) Consensus

For all meetings the fundamental decision making process shall be via a consensus of all the shareholders attending the meeting.

Consensus decision making is based on an agreement to reach agreement, and a shared feeling that the best decisions reflect the thinking and agreement of all members in our group. Those directly affected by a decision are involved in the decision. Consensus is not unanimity. It is not necessary for every person in the group to feel that this is the solution that they would most want or even think best. Members may feel, however, that this is the best solution that can be reached at this time and under these circumstances. At any point in this process an outside facilitator or mediator can be used.

Ground Rules for Meetings

- We use "I" statements - speak personally, not on behalf of others.
- We don't interrupt.
- We speak concisely and to the point.
- We start and finish on time.
- We keep all personal content confidential.
- We value and respect each person's contribution.
- We attempt to keep relationships within the group clear by dealing with any problematic issues directly with the person concerned.

B) Meetings

- i) Meetings are held on the first Sunday of each month. There shall be a report on finance, budget position, all jobs in process, any committees established and other agenda items as required. Any other meetings will generally require two weeks' notice. *Reference: Constitution Clauses 16 and 17*
- ii) All shareholders are equal and have equal rights. Other interested parties can speak by leave of the meeting.
- iii) The meeting shall co-opt a facilitator.
- iv) Minutes shall be kept for each meeting and be circulated to all shareholders.

C) Quorum

The quorum for an ordinary meeting shall be when there are no less than 8 shares represented.

D) Proxy

Shareholders unable to attend a meeting are encouraged to contribute their viewpoint either by appointing another shareholder to express their opinions or by sending a written submission to the Company. *Reference: Constitution Clause 2.2.11*

E) Special Meetings

Meetings can be called at any time under the Constitution. Two weeks' notice is required.

F) Annual General Meeting.

This meeting is to be held not later than nine months after the annual balance date of the company. Notice is to be sent to all member's last known address at least 14 days beforehand. The agenda for the AGM is to include:

- i) Confirmation of minutes from the last AGM
- ii) Submission and acceptance of the annual financial statements.
- iii) A review of the committees & their current members.
- iv) Any other business which has been notified to the Secretary prior to 7 days before the AGM.
- v) Any other business by leave of the meeting.

10. APPENDIX

Appendix 1 - Building Materials

Most Acceptable Materials - sustainably grown wood, mud bricks, earth, straw bale, recycled woods of all types excluding copper/chrome/arsenic treated pine, corrugated iron, clay tiles.

Considered - aluminium joinery

Not Acceptable - exposed concrete block base, brick veneer, vinyl weather boards, hardiplank weatherboards, metal weather boards, vinyl windows, CCA Pine, hardwoods from non-sustainable sources.