

# FairShares Co-operative Model: Table of Share Types / Investment Instruments – v2.0



Share Type	Creation Event(s)	Means of Acquisition	Annual Financial Return	Transfer/Redemption Rights	Transfer/Redemption Event(s)	Means of Transfer	Extinction / Suspension Event(s)	Means of Extinction	Notes
<b>Founder</b>	Enterprise formed / incorporated	Par Value 1 share per founder	None	None	n/a	n/a	Founder cancels membership, bankruptcy, dissolution (and winding up), insolvency or death	Share deleted from register	
<b>Labour</b>	1. Supplier / Producer / worker / employee achieves a 'qualifying contribution'  2. New share issue to existing shareholders.	Par Value  One share for each qualifying contribution - using a policy devised by members.	Dividends (agreed % of surplus after deductions for reserves)  Issued in the form of new Investor Shares.	None	n/a	n/a	Cessation of contract or agreement to provide labour (or deliver supplies) or winding up.	Share deleted from register	Volunteers have 'agreements' while suppliers and employees have 'contracts'.
<b>User</b>	1. Customer / service user achieves or maintains a trading threshold / achieves a 'qualifying contribution'.  2. New share issue to existing shareholders.	Par Value  One share for each qualifying contribution - using a policy devised by members.	Dividends (agreed % of surplus after deductions for reserves)  Issued in the form of new Investor Shares.	None	n/a	n/a	Cessation of trading relationship	Share deleted from register	Organisations may want to frame low trading / non-trading as 'cessation of trading relationship in contracts'.
<b>Investor</b>	1. 'Member shares' issued after a 'capital gain'. 2. Member decision to invest. 3. Conversion of investor shares/share dividends to additional investor shares 4. New share issue.	Par Value  1. Allocated after a 'capital gain' that triggers 'member share' issue.  2. Purchased with own money  3. Purchased by deductions from salary.	Interest at an agreed rate above a specified bank base rate.  Credited to an account of the members choosing.	1. Transfer to an organisation authorised to buy shares for employee, community or public benefit  2. Transfer to other members under the 'member shares' mechanism.	1. Shares held for more than agreed length of time.  2. Termination of membership  3. Retirement, death or insolvency.	1. Payment of 'par value' to investor shareholder / investor shareholder's estate  <b>and</b>  2. Cancellation of share in register.	1) Redemption of investor share account  2) Negative 'capital gain'  3) Dissolution	Share deleted from register.	All types of shareholder can purchase further Investor Shares to add to their 'basic' entitlement.  When losses made, articles authorise cancellation of shares to cover losses.