



**Community**  
Underwriting

# OUR SHAREHOLDERS

Community Underwriting Agency is an Australian proprietary limited company limited by shares (ACN 166 234 715). The Company was established with the objective to operate as an underwriting agency providing insurance products and services to eligible not for profit and community organisations as well as membership based organisations (peak bodies).

## SHAREHOLDING STRUCTURE

Our intention is to build a long term and consistent insurance solution for the Not for Profit sector.

With this in mind, legal advice was sought from Sparke Helmore to assist in the drafting of a constitution which would allow:

- Recognition of the original equity developed by NSW Meals on Wheels in its insurance facility over 25 years;
- Recognition of the initial risks, seed capital, individual and organisational resources expended to establish the agency; and
- A level of control / share restrictions to ensure that the original objectives and values remain in place irrespective of how successful the business model may become.

To this end Community Underwriting Agency Pty Limited was formed initially with a total of 5,000,000 shares at equal par value of \$0.0001. There are a number of classes of shareholders with restrictions on the manner in which shares may be sold, transferred or be encumbered.

Whilst the key focus is on returning surplus funds back to shareholders through our donation model, we still believe that there is an ultimate balance sheet value for all shareholders.

By expanding Community Underwriting across the Not for Profit sector, all of our shareholders stand to increase the value of their holding over time.

### Foundation Shareholders

This share class recognises the value of the existing CRISP facility brought to Community Underwriting by NSW Meals on Wheels and the initial investment both in funding and resources to establish in its initial year.

The following table details the initial Foundation Shareholding structure effective from February 2014:

Shareholder	Shares Issued
NSW Meals on Wheels Association Inc	
- Ordinary Shares	1
- Class A Shares	1,249,999
Community Underwriting Management Company P/L	1,250,000
<b>Total Initial Foundation Shareholding</b>	<b>2,500,000</b>

Under the Community Underwriting constitution the total Foundation Shareholding is required to remain fixed at 50 % of the total capital of the company at any one time. Whenever additional growth shares are issued, additional matching foundation shares will be issued to retain the 50% requirement.

### Growth Shareholders

Growth shares are the class of shares issued to all eligible Community Underwriting clients based on their premium contribution. To be eligible for Growth Shares, an organisation must either be a:

- Not for Profit with a minimum of \$50,000 gross written premium placed with Community Underwriting; or
- A membership based Not for Profit organisation (Peak Body) which:
  - Represents a membership of other similar NFP organisations or interests;
  - Has the ability to and provides a commitment to endorse, promote and influence its members to insure with Community Underwriting;
  - Has the potential to generate a minimum of \$20,000 in gross annual premiums.

The premium contribution of any peak body will exclude any member that qualifies as a growth shareholder in its own right.

The Initial Growth Shareholding from February 2014 is anticipated to be:

Shareholder	Shares Issued
NSW Meals on Wheels Association Inc	2,108,330
NSW Neighbour Aid & Social Support	180,330
Flintwood Disability Services	92,713
NSW Home Modification & Maintenance Services	75,656
Community Options Inc	22,222
MOW Tasmania	21,058
<b>Total Initial Growth Shareholding</b>	<b>2,500,000</b>

Additional Growth Shares will be allocated to new Not for Profit clients at the end of each quarter based on the premiums that they have placed with Community Underwriting.

### RIGHTS AND RESTRICTIONS

Under the company constitution the following rights and restrictions attached to different classes of shares:

Holders of classes of shares	Rights and Restrictions
Class A Shares	Right to receive notice of any general meeting of the company.
	Voting rights - 1 vote for each Class A and Growth share held.
	Dividends only payable at the discretion of Directors.
	Right to return of capital.
	No transfer restrictions.
	Company must buy back shares at any time at issue value.

Class B Shares	Right to receive notice of any general meeting of the company.
	Voting rights - 1 vote for each Class B share held.
	Dividends only payable at the discretion of Directors.
	Right to return of capital.
	Transfer only after approval of Class A shareholders or where considered under any IPO event.
	Company must buy back shares at any time at request of shareholder at original issue value.
Growth Shares	Right to receive notice of any general meeting of the company.
	Voting rights - 1 vote per growth share provided the organisation has a director appointed to the Board.
	Dividends only payable at the discretion of Directors.
	Right to return of capital
	Transfer only if approved by 50% of all Members or where considered under any IPO event.
	Company must buy back shares at any time at request of shareholder at original issue value. Shareholder must sell back shares at original value when they cease to be an eligible growth shareholder.

The information provided is general in nature and needs to be considered against your organisations own risk profile and particular circumstances. For more specific advice you should contact your broker or Community Underwriting.

Community Underwriting are specialists in charity insurance, not for profit insurance and insurance for community organisations. We offer a range of insurance solutions customised to meet the needs of community organisations, including Association Liability. Contact us today!

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