

Terms and Conditions for the Purchase of Preference Shares

Cent Cent Savings and Credit Cooperative Society (Hereinafter called Cent Cent SACCO) requires a certain amount of investment in Capital Expenditure [CAPEX] and Working Capital before it becomes a self-sustaining enterprise. Cent Cent SACCO is a standalone enterprise, a financial cooperative with no sponsoring promoter or anchor organisation thus the general meeting of founding members in their 25th of July 2015 meeting resolved that it be opened up to all members to contribute in the form of non-voting 5 years 9% Redeemable Preference Shares towards establishment costs and such operating expenditures before the SACCO becomes self-sustaining. This investment is crucial in that without it Cent Cent would struggle to realise its vision and fulfil its mission. There is a total of 1750 Preference Shares of One Hundred Dollars United States (\$100) each ("**Preference Shares**").

There are certain rights and restrictions attached to the Preference Shares. These are detailed in the Cent Cent Savings Credit Cooperative Society's By-Laws, as they may be amended from time to time. The By-Laws and or Resolutions are available online via Members Login portal on the Cent Cent Website or upon request. Cent Cent SACCO is offering its members the opportunity to increase their investment by purchasing Preference Shares. Any such purchase is subject to acceptance by Cent Cent SACCO and the following terms and conditions, as the same may be amended or supplemented from time to time.

Preference Shares Program Offering.

- They are a long-term investment suitable for "buy-and-hold" investors and may pay a higher rate than other fixed income investments.
- Profit sharing is paid to Preference Shares prior to Ordinary Membership shares.
- As with any investment, Preference Shares are not for everyone and redemption is subject to guided approval by the Management Committee
- The issue of Preference Shares is limited. Once the subscription is sold, no further shares will be available unless a new subscription is approved and issued.

Sale Offering:

- One Thousand Seven Hundred and Fifty [1750] Preference Shares with a total consideration of One Hundred and Seventy Five Thousand United State Dollars [US\$175000] is authorised.
- Shares are issued at US\$100.00 per unit.
- The minimum purchase for first subscription is one share, the consideration of which is One Hundred United States Dollars (US\$100). Subsequent purchases may be made in multiples of US\$100. There is no maximum as to what an individual may purchase as long as it is within the authorised number and any such purchase is subject to acceptance by Cent Cent SACCO
- Sold on a Subscription Basis, effective July 25, 2015.
- Cent Cent SACCO may choose to cease sale of Preference Shares at any time without prior notice.

How to subscribe: A member may subscribe for Preference Shares by forwarding a properly completed Subscription Form and payment to Cent Cent SACCO. Payment is by Mobile Money [Ecocash, Telecash & Netcash], Online Payments [Zimswitch, Visa, MasterCard, PayPal, American Express, M-Pesa, Tigo, and Airtel & Vodacom] or Bank transfer. No amount other than the subscription proceeds is payable. Each subscription for Preference Shares is subject to acceptance or rejection by Cent Cent SACCO, in whole or in part. Any subscriptions not accepted by Cent Cent SACCO will be returned to the subscriber and payment will be returned without interest or deduction.

Subscription Forms may be obtained by request from infor@cent-cent.coop. Members must be 18 years of age to purchase Preference Shares. Parents or guardians may purchase on behalf of their minors.

Right to withdraw Purchase:

A purchaser may withdraw from an agreement to purchase Preference Shares by delivering written notice to the SACCO within two working days of the date the Subscription Form is received by the SACCO.

Dividend Priority:

Holders of Preference Shares are entitled to receive their dividends prior to any payment of dividends on shares of any other class Austin Credit Union is authorized to issue. No dividend can be declared or paid, or a sum set apart for payment on Ordinary Membership Shares, or any other shares Cent Cent SACCO is authorized to issue for any fiscal year unless the dividends on all Preference Shares for the year and all prior years have been declared and paid or funds set apart for payment.

Dividends are subject to both Non Residents Shareholders Tax and Residents Shareholders' Tax. In Zimbabwe, dividends on unlisted Ordinary Membership Shares are generally taxed as a Withholding Tax and are not entitled to the special tax rates applicable to dividends paid on other listed securities. Withholding Tax is the amount withheld by the party making a payment (payer) to another (payee) and remitted to the Zimbabwe Revenue Authority (ZIMRA). The payee is taxed on the gross amount using the appropriate rate of tax, and the tax withheld (the Withholding Tax) is remitted to ZIMRA on or before the due date

Limitations on Dividends:

Regulatory authorities and our own internal regulations in line with International Best Practises prohibits a credit union from paying a dividend on shares if there are reasonable grounds to believe that:

- The credit union is, or would thereby be unable to pay liabilities as they become due; or
- the realizable value of the credit union's assets is, or would thereby be less than the aggregate of its liabilities and capital other than retained surplus; or
- The capital of the credit union is, or would thereby be less than the amount prescribed by the regulations.

Risk Factors:

An investment in Preference Shares is subject to certain risks, including:

- Speculative Investment — an investment in Preference Shares is speculative and should be considered a long-term investment. There is no guarantee that an investment in Preference Shares will earn a specified rate of return or any return in the short or long term. Given the restrictions in dividends, there is no assurance that a holder of Preference Shares will receive any of the preferential cumulative dividends.
- Marketability — there is currently no market through which the Preference Shares may be sold and none is expected to develop. There are restrictions on the transfer and redemption of Preference Shares. As a result, subscribers of Preference Shares may not be able to dispose of their Preference Shares in a timely manner, or at all.
- No Guaranteed Redemption — There is no guarantee that Cent Cent SACCO will be in a financial position to redeem any Preference Share at any time. A holder of Preference Shares is not entitled to require Cent Cent SACCO to redeem any Preference Shares.
- Reliance on Management Committee— Holders of Preference Shares will be relying on the judgement and experience of the Management of Cent Cent SACCO. Investors who are unwilling to rely on the discretion of the Management Committee should not purchase Preference Shares.
- Legislative Changes — Changes may be introduced to legislation that affects credit unions in general or Cent Cent SACCO in particular.
- No Guarantee — An investment in Preference Shares and the receipt of dividends thereon are not guaranteed by any Deposit Guarantee Scheme, The Central Cooperative Fund, the registrar nor by any other person.
- Securities Act Inapplicable — The Securities Act (Zimbabwe) does not apply to an issue of shares or other securities by Cent Cent SACCO. Accordingly, the Securities Act (Zimbabwe) does not apply to the issue of Preference Shares as contemplated herein and as such a purchaser of Preference Shares will not have any benefit of any provisions of that act.

Purchasers should fully consider the merits and risks of an investment in Austin Credit Union Preference Shares and consult their own professional advisors to assess the investment, income tax and legal aspects of an investment in Preference Shares.