**The Business Collective Contract**

The Business Collective Contract serves as the formative document for business operations of any legal type, outlining the manner in which the subject company intends to award ownership and control of its operations, and to compensate all of its contributing members *not* as employees, but owner-operators.

This document is intended to serve as the legal foundation of any subsequent contractual concerns entered into by the subject organization and its owner-operators, henceforth subject to this document.

Note that this is a template for the Business Collective Contract, and that *all* specific calculations and figures herein may be altered relative to company control, advised to be based upon voting concern.

All ownership equity in the organization shall come with it a level of compensation to be defined both in value and in the timeliness of its payouts herein, calculated based upon net dividends relative to the percentage of equity owned by the owner-operator, per the net revenue produced by the organization. By “net revenue” it is agreed that the division of all revenue *after all expenses and money reinvested in or otherwise held by the organization* as defined by this organizational document is to be paid to all of the owner-operators relative to % equity on the timeline agreed to by the founding owner-operators.

Positions shall be created for the purpose of constructing an operational framework for the organization. *Every* position created or removed must be agreed upon by a majority of the % voting concern (to be defined shortly, based upon % equity) of the organization, both at the time of the founding of said organization, and whenever it is deemed necessary that a new position be created, a position be removed, or a person filling a position be replaced by a new person.

*Any* change in this document or in any subsequent documents regarding the compensation of owner-operators and the allocation or division of revenue and debts relative to the organization requires that a majority of the voting concern be reached before said alterations can be deemed legally binding.

This document shall define which actionable decisions reached and carried out by the organization are subject to a majority of the voting concern, and which the prerogative of positions, or position groups.

For the purpose of this business collective contract template, it shall be assumed that every owner-operator in the subject organization shall be compensated for their equity ownership relative to total equity once per month, or twelve times per annum. The total amount of this monthly compensation shall be based upon their claim to the net dividends of the organization from the month prior, to be paid on the first of the month, based upon their % net dividends share, which is based upon their % equity, the calculation of which is forthcoming.

Any person removed from their owner-operator position within the company *must* be compensated by having the value of their equity paid out to them *before* they can be legally removed from their owner-operator status within the organization. The equity value held by every owner-operator shall be defined herein, and is always based upon the % net dividends share calculation defined herein.

The % net dividends share for every owner-operator is based upon their % total equity. The % total equity may be distributed not only to individual owner-operators, but to funds, going-concerns, or any other entity, financial or personal in legal status, which the majority of the voting concern sees fit. Note that these three underlined terms shall all be the same figure, yet may have different applications.

Calculation of % net dividends share, % total equity and % voting concern shall henceforth be considered the “Company Share” dedicated to the relevant entity. Incentivization is a key concept in the creation of the derivation of the Company Share calculation, as said incentive motivates the best results.

Company Share is calculated in three parts as follows, and shall come to a decimal convertible into a %:

Part One: Investment Value: The amount of money invested or reinvested in the organization by the subject entity. Part one of the Company Share calculation involves translating the start-up and ongoing financial support and sustainability of the subject organization by the owner-operators into equity, as obviously having the means to continue and potentially expand the operations of the organization beyond whatever the organization retains for said purposes (it is *highly* recommended that an ‘operational fund’ receive a considerable portion of the net-equity-based dividends, it being one of the entities assigned said equity) is of immense value to the continued concern of the subject organization. For the purposes of ‘fairly’ retaining and distributing control (voting concern) and net dividends relative to the value of every owner-operator to the organization, and to prevent wealthy owner-operator(s) from taking control simply because he/she/they have more money/capital to invest in its expansion and continuation, it is highly advised that a limit, or ‘cap,’ be placed upon the amount of money or otherwise agreed upon capital invested in the organization that can be translatable into Company Share.

Part Two: Position Value: The relative value of the labor and other intangible assets contributed by the entity which expands upon the value of the subject organization. This includes everything the owner-operator does to help continue and expand upon company operations, profitability and general financial viability, which might include subjective considerations such as ‘ingenuity.’ Not every owner-operator contributes the same value, and takes on the same level of stress and responsibility in the operation and continuity of the subject organization, which Part Two of the Company Share calculation reflects. At the start-up of the operation and, potentially, at future predetermined junctures, the Business Collective Contract upon which the organization is founded should include considerations, or votes, for how the values assigned to each position shall be determined/adjusted relative to democratically assessed value.

Part Three: Democratic Value: The ‘value adjustment factor,’ the Democratic Assessment represents a vote by the owner-operators in which all owner-operators assign their value of this assessment to an entity *other than themselves*. Each owner-operator possesses the same value within the Democratic Assessment. That is, if there are exactly 100 owner-operators, each one controls 1% of the total value placed upon Part Three of the Company Share. Furthermore, every owner-operator may assign their relative portion of the democratic value however they see fit. It is recommended that the once per month ‘vote’ described herein take place via an electronic or paper form that lists all possible entities to whom every owner-operator may pass any portion of their relative democratic value, including all other owner-operators and any funds, causes etc. which the subject organization maintains and supports. For example, he/she may give all of his/her value to one other owner-operator or, say, a retirement or communal outing or charity fund, or custom divide it between a handful of owner-operators, or select a box saying something like “divide evenly amongst all owner-operators,” or whatever/whomever else he/she believes most warrants more compensation. Note that the inclusion of this third part of the Company Share calculation serves several purposes, including allowing for a sense of justice for said owner-operators, and a means to translate into financial value the goodwill and other subjective considerations which every owner-operator develops. As such, it serves to reward those best serving the company interest and/or being the most positive influence on others, thereby building goodwill within the subject organization. For example, a certain owner-operator may have performed some act, or continues to do their duties ‘above and beyond expectation/paygrade,’ and their fellow owner-operators may wish to recognize this in a means that leads to a tangible reward for said person.

It is recommended that all three of the factors in the Company Share calculation be calculated on the first of every month based upon the information available at said time to the company accountant(s). It is *highly* advised that this calculation, and all relevant data included in said calculation, be *fully disclosed to all owner-operators*. Full transparency is in spirit with the just distribution of benefits motive of this contract, and of the ideology behind the Business Collective concept in general, which seeks to balance the merits of just considerations often judged as ‘socialistic’ with the just incentives of the ‘capitalistic.’

Note that the percentage of the total calculation that any Business Collective chooses to place in each of these three parts of the Company Share calculation is entirely open to their judgment at the time of the signing of this document, and at any subsequent time which the voting concern chooses for alteration. The percentage placed on each part of the assessment shall reflect the convictions of the founding owner-operators at the time when this contract is first signed, and shall surely impact its operations.

Example of a Company Share breakdown at start-up:

Core breakdown: 40% Investment Value (IV), 40% Position Value (PV), 20% Democratic Value (DV)

10 owner-operators sign this founding document. Those owner-operators are assigned positions, all of which are simultaneously assigned a Position Value, which is the % of the 40% of net dividends per month which they’ll be henceforth entitled to. Each of these owner-operators also invests a certain amount of money or other majority-agreed-upon capital value to start the organization. The 10 owner-operators make the following monetary investments and receive the following Position Values:

38K total invested at start-up.

20% of Company Share retained for an “Operational Fund” or “Going Concern Fund”

5% of Company Share retained for a “Communal Fund” to be dedicated to vote for use (parties/outings/charity)

75% of the Company Share to be distributed amongst the owner-operators, determined as follows:

1 Chief Executive Officer (10k IV, 20%PV = 26% of IV, 20% of PV)

1 Chief Financial Officer (10k IV, 15%PV = 26% of IV, 15% of PV)

1 Chief Operations Officer (10k IV, 15% PV = 26% of IV, 15% of PV)

1 Head of Marketing (5k IV, 11% PV = 13% of IV, 11% of PV)

1 Administrative Assistant (1k IV, 8% PV = 3% of IV, 8% of PV)

1 Clerical Staff (500 IV, 8% PV = 1.5% of IV, 8% of PV)

3 Marketing Staff (500 IV each, 6% PV each = 1.5% of IV, 6% of PV each)

1 Janitorial Staff (0 IV, 2% PV = 0% of IV, 5% of PV)