

# ORGANIC and REGENERATIVE INVESTMENT CO-OPERATIVE LIMITED

## Disclosure Statement (Issued 12 August 18)

### ABOUT THIS DOCUMENT

The Co-operatives National Law (**National Law**) requires a distributing co-operative to provide its current **Disclosure Statement** to applicants for membership or shares. This document in conjunction with the most recent Annual Report represents the Disclosure Statement. The Annual Report is available [HERE](#).

This Disclosure Statement is issued in accordance with section 68 of the National Law by the Organic Regenerative and Investment Co-operative Limited (**ORICoop**), ABN 24 432 195 814, a distributing co-operative registered in Victoria under the Act, registration number G0003580M.

Any person who receives or reads this Disclosure Statement should not consider it as a recommendation to become a member of ORICoop or to purchase shares. Recipients should read this document in its entirety and seek advice from a professional adviser before applying to subscribe for shares or become a member.

To the maximum extent permitted by law, ORICoop, its directors, officers, employees, advisers and consultants and their associated companies, accept no liability or responsibility for any loss or damage (however caused including without limitation for negligence) arising from reliance placed on the information contained in this document.

### ABOUT ORICOOP

#### Overview

The Organic and Regenerative Investment Co-operative Limited was formed on 29<sup>th</sup> March 2017.

ORICoop was established with funding from its founding members. In 2017, it qualified for a Farming Together Program grant that enabled it to build its web platform and to test funding models that could be used for acquiring and managing farms. ORICoop is now moving to its operational phase where it will issue Investor Shares in order to finance the acquisition of organic and regenerative farmland and associated infrastructure.

#### Mission and business strategy

The aim of ORICoop is to facilitate investment, education and growth opportunities across the organic, regenerative, biodynamic and agro ecology farming and food sector. Its mission is to:

- Increase & preserve the amount of certified organic farmland in Australia
- Actively engage local and cooperative communities in food and farming production
- Promote excellence in land management practices

ORICoop aims to accomplish this through four business activities, with each intended to be self-sustaining and expected to contribute to ORICoop's surplus over time. These activities are:

- Owning organic farmland & associated infrastructure
- Managing organic farmland
- Education in best practice for organic farmers and communities
- Creating better post-farm gate market mechanisms

ORICoop's success is measured against its social, financial and environmental impacts that aim to deliver:

- Strong ecological & environmental returns
- Significant social, community and local food benefits
- Real & balanced financial returns to Investor Share Holders

## Co-operative Rules

ORICoop is governed according to the co-operative's rules (**Rules**).

The Rules have the effect of a contract between the co-operative and each member and between the members of the co-operative. By becoming a member, a person becomes bound by and agrees to observe the provisions of the Rules in so far as they apply to that person. In particular, the Rules set out the requirements that each member must satisfy in order to be an active member of the co-operative. The rules are available for download [HERE](#).

## Special resolutions

The Rules may only be varied by a special resolution passed by a two-thirds majority of members. A number of special resolutions have been approved in the past, which have resulted in changes to the Rules of the co-operative. The current Rules have been updated accordingly.

## Primary activities

The primary activities of the ORICoop, as set out in the Rules are:

- Investing into the organic, agroecology and regenerative farming & business sector;
- Investing, managing and or participating in local initiatives that build supply and/or community in organic & regenerative farming/business sector; and,
- Offer collaboration with other entities, Co-operatives and community to build a stronger and more resilient food production mechanism.

## Disclosure documents

Applicants for membership are entitled to current copies of the following documents:

- The Rules;
- All special resolutions passed by the co-operative (except those providing for alteration of the Rules); and,
- This Disclosure Statement, including the most recent [Annual Report](#), as submitted to the Registrar under section 249 of the Co-operatives Act.

All of these documents are available for inspection at the registered office of ORICoop - C/O RSD Chartered Accountants, Level 2, 10-16 Forest Street, Bendigo - and may also be obtained from the website [HERE](#)

## Disclaimer

This Disclosure Statement has been lodged with the Victorian Registrar of Co-operatives pursuant to section 68 of the National Law. And the Registrar's servants, employees, agents and delegates specifically disclaim all liability including if due to the negligence of any one or more of them, for the contents of the statement.

Pursuant to the National Law, the responsibility for ensuring that the National Law has been complied with in preparation of the Disclosure Statement lies with those issuing the statement. Persons making false or misleading statements in a Disclosure Statement may be liable for criminal penalties and expose themselves to civil liability to anyone who suffers a loss as a consequence.

It is not possible for a Disclosure Statement to include all material relevant to each co-operative's circumstances. Applicants for membership and/or shares should read and understand all the disclosure documents, and make his or her own enquiries, including obtaining professional advice if they feel this is necessary, before making an application.

Signed for and on behalf of the directors in accordance with a resolution of the board.



Board member  
Date



Board Member

## CO-OPERATIVE MEMBERSHIP

### Benefits of Co-operative Membership

Subject to the ORICoop Rules, a member is entitled to:

- Attend and vote at all general meetings;
- Be a candidate for election to the board;
- Buy Organic Shares and Investor Shares;
- Propose collaboration and project ideas between ORICoop and third parties; and,
- Assist in running projects on behalf of ORICoop.

### Membership Eligibility Requirements

Any individual, partnership, company, co-operative, superannuation fund or other entity may apply for membership in ORICoop by completing an online application form. The application form is published on the [ORICoop website](#) along with copies of the current Disclosure Statement and other relevant documents.

To qualify for membership, an applicant must:

- Agree to hold at least 5 Organic Shares;
- Maintain active membership of ORICoop; and,
- Agree to be bound by the Rules.

There is a once-off \$50.00 membership fee, which is payable to become a member of ORICoop, and each member must also acquire 5 Organic Shares in the Cooperative at \$10/each - for a total once off cost of joining ORICoop of \$100.00 per member.

### Active membership provisions

To establish and maintain active membership of ORICoop, a member must either:

- Own Organic &/or Investor Shares;
- Subscribe to ORICoop's newsletter or electronic copy of communication;
- Attend at least one General Meeting, member or community event per calendar year; or,
- Make a purchase of produce or product from ORICoop farm/business/partner during a calendar year.

If for a period of three years a member is inactive or the member's whereabouts are unknown, the board must declare the membership of the member cancelled and forfeit that person's shares.

### Board approval required

Every application for membership must be considered by the Board and, if approved, the member's details will be entered into the register of ORICoop members and the applicant will be notified in writing. The Board may, in its absolute discretion, refuse an application for membership on any grounds.

### Liability of members

A member is not personally liable to the creditors of the co-operative or to the co-operative itself, except for any fees or charges owing by that member to the co-operative.

## RIGHTS & LIABILITIES ATTACHING TO SHARES

The rights and liabilities attaching to ownership of Organic Shares & Investor Shares are:

- Detailed in the Rules; and
- In certain circumstances, regulated by the National Law and the general law.

A summary of the significant rights, liabilities and obligations attaching to Organic Shares & Investor Shares and a description of other material provisions of the Rules are set out below.

### Share Classes

ORICoop intends to issue the following **classes** of shares:

1. **Organic Shares** are issued to every ORICoop member as a condition of their membership. Proceeds from the issue of Organic Shares are applied to ORICoop's social goals, including education, community projects and partnerships with other social enterprise entities. It is not intended that dividends will be paid on Organic Shares.
2. **Investor Shares** are issued to ORICoop members with the primary purpose of funding the acquisition of organic farmland and associated infrastructure. Only members can be Investor Share Holders. Investor Shares participate in ORICoop's operating performance and pay dividends from its surplus.

### ORGANIC SHARES

An Organic Share has an issue price of \$10.00. Each member must subscribe for, and hold, 5 shares as a condition of membership of ORICoop. The full subscription price of Organic Shares must be paid upon application. The board has determined that members cannot own more than 5 Organic Shares.

### Dividends on Organic Shares

The board has determined that dividends will not be paid on Organic Shares.

### Applications for Organic Shares

To apply for Organic Shares, applicants must complete the Organic Shares Application Form made available by ORICoop [HERE](#), and pay the total amount due in accordance with the instructions on the Organic Shares Application Form. Upon consideration by the board, the applicant will receive approval of their application within 28 days. If an application is unsuccessful, any amounts accompanying the application will be refunded without interest.

### Transfer of Organic Shares

As each member must hold exactly 5 Organic Shares, the transfer of shares between members is not generally possible. There may be special circumstances where the board will consent to a transfer as described in the Rules.

### Repurchase of Organic Shares

ORICoop will repurchase the Organic Shares of a member that resigns or otherwise ceases to be a member of the co-operative. The co-operative will repay the paid up value of repurchased shares within 12 months of the date of cancellation. However, the co-operative is not obligated to repay this amount if this would adversely affect the financial viability of the co-operative. In such an event, the board can elect to withhold payment until such time as payment would not adversely affect the financial viability of the co-operative, up to a maximum of 10 years, or elect to convert the Shares to CCU's. Any Organic Share repurchased by the co-operative will be cancelled and disclosed in ORICoop's Annual Report.

### Winding Up and Organic Shares

In the event of a winding up of ORICoop:

- A member is liable to the co-operative for any outstanding charges payable by the member to ORICoop;
- Subject to their being sufficient net assets after the repayment of all prior ranking liabilities, Organic Shares will be refunded to the paid up amount on the Organic Shares; and,
- If any property remains after the satisfaction of all its debts and liabilities, including the payment of all amounts owing on Investor Shares, and the refund of the amounts paid up on Organic Shares, the property shall be distributed among the members in proportion to their holding in Organic Shares.

## INVESTOR SHARES

An Investor Share has an issue price of \$500.00. Members can apply to purchase up to a maximum of 100 Investor Shares and the minimum holding is 2 Investor Shares. The full subscription price of Investor Shares must be paid upon application.

### Dividends on Investor Shares

Investor Shares will pay dividends semi-annually from ORICoop's operating surplus, subject to the board declaring a dividend at its discretion, and up to the dividend limit as specified by [CNL \(3.19\)](#). In determining the dividend, the Board will consider the financial integrity of ORICoop, returns on similar instruments in the market, and the objective of providing a stable real return on Investor Shares.

### Applications for Investor Shares

To apply for Investor Shares, applicants must complete the Investor Shares Application Form made available to members only [HERE](#) - and pay the total amount due in accordance with the instructions on the Investor Shares Application Form. Upon consideration by the board, the applicant will receive approval of their application within 28 days. The board has absolute discretion to allocate Investor Shares among members, and allocations can be for less than the amount applied for. If an application is unsuccessful, or is only partially satisfied, then the unallocated amounts accompanying the application will be refunded without interest.

### Transfer of Investor Shares

Subject to the consent of the board, Investor Shares can be transferred to other ORICoop members via a transfer form that can be obtained from ORICoop's website. Transfers can be undertaken at a discount or premium to the paid up amount of the Investor Shares.

### Repurchase of Investor Shares

ORICoop will repurchase the Investor Shares of a member that resigns or otherwise ceases to be a member of the co-operative. The co-operative will repay the paid up value of repurchased Investor Shares within 12 months of the date of cancellation. However, the co-operative is not obligated to repay this amount if this would adversely affect the financial viability of the co-operative. In such an event, the board can elect to withhold payment until such time as payment would not adversely affect the financial viability of the co-operative, up to a maximum of 10 years, or the Investor Shares can be converted to CCU's. Any Investor Shares repurchased by the co-operative will be cancelled and disclosed in ORICoop's Annual Report.

### Winding Up and Investor Shares

In the event of a winding up of ORICoop:

- A member is liable to the co-operative for any outstanding charges payable by the member to ORICoop;
- If any property remains after the repayment of all prior ranking liabilities, Investor Shares will be paid the net proceeds from the sale of all farms and associated infrastructure that have been acquired with funds raised from Investor Shares. The net proceeds will be divided equally across the Investor Shares on issue at that time. Note that any amounts held on previously cancelled Investor Shares would rank pari-passu with Investor Shares in this event.

## GOVERNANCE

### General meetings and notices

Subject to the Rules, the National Law and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at all general meetings of ORICoop. Note that an Organic Share or Investor Share does not carry the right to vote. The right to vote is attached to membership only.

### Board of Directors

The business of the ORICoop is managed by a board of up to 7 directors, and for that purpose the board has and may exercise all the powers of the co-operative that are not required to be exercised by the co-operative in a general meeting. Please refer to the Rules for a list of those matters that require member approval.

### Current Directors

ORICoop's current directors are:

- Carolyn Suggate (member-director)
- Robert Fenton (member-director)
- Fiona Fielding (member-director)
- Helen McGregor (member-director)
- Ahri Tallon (member-director)

A brief biography for each director may be found on the ORICoop website [HERE](#).

### Election of Directors

The directors are elected by members at annual general meetings and serve a three-year term.

A person is not qualified to be a director unless the person is an individual over the age of 18 years and is either:

- An active member of ORICoop or a representative of a body (e.g. a company or a co-operative) that is an active member of ORICoop (**member director**); or
- Not an active member but who possesses special skills in management or other technical areas of benefit to ORICoop as specified by the board from time to time (**non-member director**).

The board of directors must have a majority of member directors, and all non-member directors must be approved by at least 75% of members.

### Remuneration of Directors

The directors currently do so on a volunteer basis and do not receive any remuneration. Any proposal to remunerate directors must be first approved by a majority of members at an annual general meeting.

Directors may be reimbursed for travel and other direct expenses that the director properly incurs in attending meetings of the board (or any committee) and in attending any general meetings of ORICoop.

Directors can nominate to undertake work with ORICoop as contractors or in a professional capacity. All such arrangements must be declared and agreed to by the Board prior to any engagement commencing, and must be fully disclosed to members in the annual financial accounts.

### Conflicts of Interest

Should a potential conflict arise then a director must declare their direct or indirect interests and stand aside with respect to any board decisions relating to the potential conflict. If appropriate, the board will form a sub-committee of those directors not associated with the relevant member to consider any issues. The Conflict of Interest Policy can be found [HERE](#)

### Auditing

At this time, ORICoop meets the definition of a Small Co-operative, as defined by the National Law, and so is not required to appoint an auditor. In the near future as determined by the Board, an auditor will be appointed.

## BUSINESS MODEL & FINANCIALS

This section includes a description of ORICoop's operating model, and the investment process specific to the acquisition of farms and infrastructure. The latest financial statements of ORICoop are included for reference [HERE](#)

### Business model

ORICoop has four business activities with each intended to be self-sustaining and expected to contribute to its surplus over time. These activities are:

- Owning organic farmland & associated infrastructure – providing Interest income and dividends from investing in farmland & associated infrastructure
- Managing organic farmland – providing Farm Management fees from managing organic and regenerative farmland
- Education in best practice for organic farmers – providing course fees for education programs & subscription fees for Organic Farmers Journal
- Creating better post-farm gate market mechanisms – providing transaction & marketing fees from facilitating better market outcomes for organic farmers

While the returns from all its business activities can impact on ORICoop's operating performance, the business model has been designed with the intention that each business activity is self-sustaining, such that the returns on Investor Shares can be reliably tied to the performance of the organic farms and infrastructure that ORICoop owns.

To maintain transparency and promote reliability with respect to earnings, ORICoop maintains a very lean administrative structure:

- ORICoop has minimal overheads, being principally comprised of accounting, regulatory, insurance, and web services expenses;
- Specific expenses required for each business activity are outsourced and included in the self-sustaining budgets for these activities. ORICoop directors may undertake some of this work as contractors or in a professional capacity, subject to the prior approval of the board;
- ORICoop requires a critical mass before it can employ anyone directly. As the scale of each activity grows, it may be internalised with employees and direct costs.

### Investment process

All investments in farmland and infrastructure must be undertaken in accordance with the Board approved investment process that ensures that decisions are made in the best interests of members. Similarly, investments are subject to ongoing review to ensure that ORICoop's investment criteria are maintained.

The investment process is as follows:

- Prospective investments are assessed against ORICoop's investment criteria by ORICoop's Director of Asset Acquisition, supported by independent expert consultants drawn from a board approved panel.
- If an investment meets ORICoop's criteria, the Director of Asset Acquisition will submit a proposal to the board Investment Sub-Committee for consideration. The sub-committee is comprised of an Independent Chairman and at least one (1) ORICoop board member. The Investment Sub-Committee has been delegated the authority to approve investment in farms and associated infrastructure by the ORICoop board.

All transaction costs associated with each investment are to be financed at the investment level. Note that any associated fees to ORICoop related parties must be fully disclosed and no member of the Investment Sub-Committee can receive any fees, other than being paid in their capacity as a Board or committee member. In this way, each investment can be undertaken in a way that meets the requirement that they be self sustaining and ultimately make a contribution to the ORICoop surplus.

### Investment criteria

For an investment in farmland or infrastructure to be considered, it must first meet ORICoop's board approved investment criteria which requires prospective investments to:

- Meet at least 3 of the Sustainable Development Goals
- Be a property of significant size and viability in organic production
- An existing certified organic &/or regenerative farm
- Have sufficient water entitlement &/or reliable rainfall for chosen production system as determined by independent agronomy

- Have direct access to secure and long term organic produce markets
- Enable significant localised investment and community education/connection
- Have suitable farm management expertise

Additionally, for any investment in farmland to be considered it must have:

- An acquisition price no greater than 10% of that determined by an independent valuation
- Existing & suitable farm infrastructure
- Soil tests that demonstrate clean and fertile soil, within the context of local environments, production levels and organic standards
- Potential for further property and farm business development
- Revenue earning expectations that are consistent with target dividend payments

Additionally, for any investment in infrastructure to be considered it must have:

- A material impact on reducing seasonal or climatic risk
- Strong potential for further property and farm business development
- Stable market for further produce development
- Capacity to repay capital over a 5 to 7 year term
- Farm operating earnings at least three times repayment requirements

### Financial statements & reporting

In addition to the annual report that forms part of this Disclosure Statement and is available at [HERE](#), ORICoop will publish an Investment Update semi-annually that will be made available to all members. This will include an analysis of the performance of all farmland and infrastructure investments, and draw on the semi-annual reporting that the Investment Sub-Committee requires from its Independent Consultant panel. Such reporting will be in accordance with the terms of the Farm Management Agreements in place between farms and ORICoop.

ORICoop will arrange Farm Days for members each year as part of its education and community building activities.

### RISK FACTORS

There are a number of factors which may materially and adversely affect the future operating and financial performance of ORICoop, and the performance of Organic Shares &/or Investor Shares. This section summarises the key risk factors as identified by ORICoop.

The selection of risks is based on an assessment of the probability of a risk being realised and the impact of the risk if it did occur. This assessment is based on information as at the date of this Disclosure Statement, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge. Note too that this is not an exhaustive list of the risks associated with an investment in ORICoop.

Before applying for Organic Shares or Investor Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Organic Shares or Investor Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. Prospective investors should consider seeking professional guidance before deciding whether to invest.



## ORGANIC & INVESTOR SHARE RISKS

### ORICoop financial performance

ORICoop carries the normal risks of a start-up business. No assurance can be given that it will achieve commercial viability through the implementation of its business plan and there is no certainty around when it may generate a profit or how profitable it will be. Additionally, there is the risk of bad debts and the possible impact on cash flows from slow payments.

### Liquidity

Being shares in a co-operative, Organic Shares and Investor Shares will not be listed on any securities exchange and may be difficult to sell. There is no guarantee that a market for the trading of Organic Shares or Investor Shares will develop. There will be relatively few, or even no, potential buyers or sellers of shares at any given time. This may prevent investors from acquiring more shares or disposing of shares they own.

### Price

The price that can be obtained for the sale of Organic Shares or Investor Shares may not reflect their intrinsic value. The absence of a market for the Organic Shares and Investor Shares can impact their price and there may be few people willing to buy your Organic Shares or Investor Shares and those people may only want to buy them from you at a discounted price. Such discount may be a significant discount to their intrinsic value. There is no assurance that the price for Organic Shares or Investor Shares will increase over time.

### Dividends

There is no guarantee that dividends will be paid on Investor Shares, or that dividends will achieve levels forecast in any offer document. Dividends are dependent upon the financial performance of ORICoop and their declaration is subject to the Board's absolute discretion. Note there is no intention to pay dividends on Organic Shares.

### Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. There is the risk that members can make decisions that may not be in alignment with those of Investor Share Holders. Note though that members cannot amend the terms of the Investor Shares without the consent of a 75% majority of the Investor Share Holders.

### Insolvency

In the event of insolvency of ORICoop, a liquidator may seek to utilise the profits and capital value of all its assets to satisfy any creditors of ORICoop, before the payment of any surplus assets to Investor Share holders or Organic Share holders.

### Taxation

The taxation treatment of ORICoop and/or its shares may change or may be different from expectations. Investors should seek their own, independent taxation advice on the tax treatment of their investment.

|

## FARM & INFRASTRUCTURE SPECIFIC RISKS

### Acquisition risk

All acquisitions come with inherent and unknown risks. The Co-operative will enlist the best strategic investment advisors possible and all investment offers will be analysed and approved through a formal investment process. As with any investment there can be unrealised or unknown reasons an investment does not perform.

### Organic contamination

All farms purchased by the Co-operative will be, or will intend to become, organically certified. Should a farm be contaminated the 'outcome of best purpose' will be considered. If an area can be de-certified, and the remainder (majority) can be continued to operate then the farm can continue in production. Should this not be possible, then the farm can be leased to conventional agriculture, and a process put in place for a 2-year exit strategy (for example, if a GM crop is planted within wind zone, that cannot be rectified).

### Catastrophic natural event

All farms will have full insurance cover for natural disasters, including fire, flood and hail where possible. Should an insured event occur, then insurance will be claimed, however there is no guarantee that the full extent of any loss can be recovered and therefore such an event could affect returns. Additionally, while ORICoop will seek to obtain insurance that covers all reasonable risks, it is possible that catastrophic events could occur that are outside the farm's insurance cover.

### Early termination of Collaborative Farming Agreement

Should an appointed Farm Manager breach their contractual agreement, then ORICoop will have the option of terminating their tenure under the Collaborative Farming Agreement (CFA). This includes if the Farm Manager falls into arrears by more than 90 days on their commitments under the CFA. ORICoop will then have the option of tendering a new agreement to the market, according to the management protocols of the CFA. If such an event were to occur, it is likely that the income from the property will be impacted and that returns will be reduced until a new CFA can be established.

### Valuation

While there is no intention of selling property acquired by ORICoop, there are circumstances where this could occur. In such an event, ORICoop would be exposed to the prevailing market price of the property. There is no guarantee that the price at which it can be sold will be sufficient to repay ORICoop's investment in that property.

### Climate change

ORICoop will analyse and make conservative long-range forecasts for the earnings potential of specific investments. All investments shall include conservative stocking rates, and exit strategies for the produce should the season not be within standard climate conditions for an area. There is the risk however that ORICoop's forecasts are not met and that climate conditions impact on the income of the farm, and thereby affect returns.

### Farm & business management risk

ORICoop takes a very considered approach to entering into arrangements with its farm managers and requires that all properties and businesses are run by experienced and skilled managers. However, there may be circumstances that change for these farm managers and therefore ORICoop is exposed to key man risk. Should a farm manager need to exit a CFA – all endeavours will be made to enable this on an amicable basis. The property will then be tendered to ORICoop members first, then to the wider community to find the most suitable farm manager.

## CO-OPERATIVE VALUES

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and a democratically-controlled enterprise.

Co-operatives are based on the values of **self-help, self-responsibility, democracy, equality, equity** and **solidarity**. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The co-operative principles are guidelines by which co-operatives put their values into practice.

### 1. Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### 2. Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

### 3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

### 4. Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

### 5. Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

### 6. Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

### 7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.