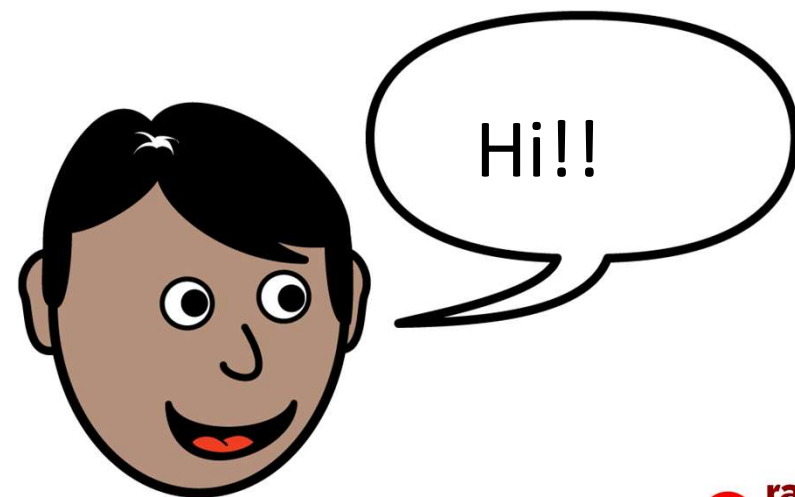
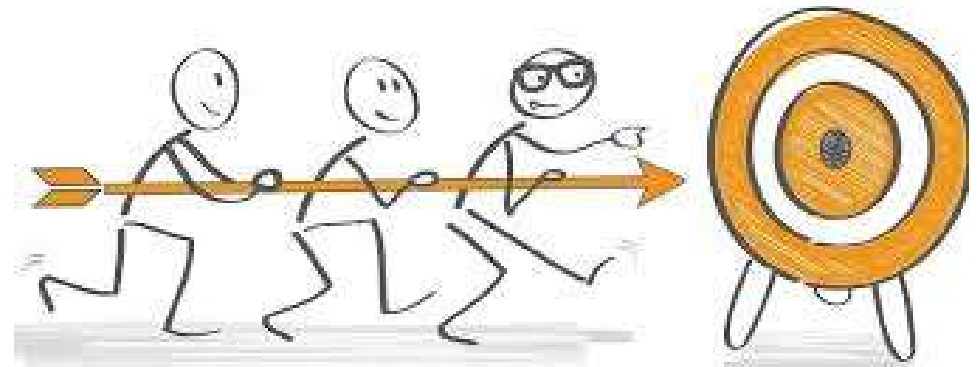


Welcome To The XYZ Co-operative Workshop



Today's Objective

1. Nuts & Bolts of Incorporating a Co-operative
2. Disclosure Document
3. Brand Messaging
4. Financial Break-Even Explained
5. Co-op Business Plan



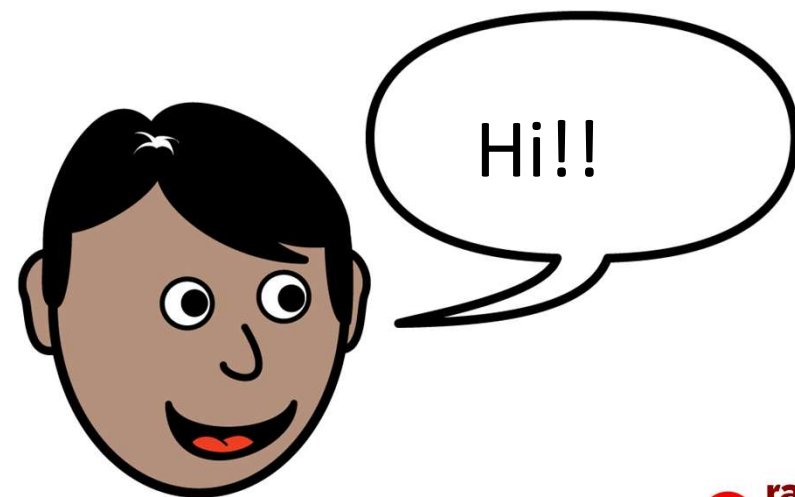


A 'Teaser Document' For Prospective Co-op Members

- **Name & Brand**
- What Problems Are We Addressing
- How Will We Solve The Problems
- Who Owns The Co-operative – Who Can Be A Member
- Who Controls The Co-operative
- Business Plan & Year 1 Financials
- Member Benefits



Nuts & Bolts Of Setting Up A Co-op



Three Key Steps

Step 1:

Rules, Disclosure
Statement & Name

Seek Registrar
Approval

Step 2:

The Formation
Meeting

Step 3:

Apply To Register
The Co-operative

Step 1:

Rules, Disclosure Statement & Name

- ✓ Name = Strong & Capable Cooperative
- ✓ Disclosure Statement (Business Plan TBC)
- X Rules To Be Prepared By BAL Lawyers

#

Disclosure Statement; Key Headings

1. Background & Demand for Service.
2. Objects & Activities
3. Membership
 - 3.1 Who can be a member
 - 3.2 Application for membership and share
 - 3.3 Rights and liabilities attached to membership and shareholding:
 - 3.3 Voting Rights of Members

Disclosure Statement; Key Headings

4. Active Members

5. Operation Of The Co-operative

The business plan (attached as Appendix I), sets out the detail of how the co-operative will operate.

6. Management Of The Co-operative

The business of the co-operative is to be managed by, or under the direction of, the board of directors.

This Board will comprise of XX Directors.

The first directors are to be elected by a poll at the formation meeting of the co-operative

The term of office of the first directors is to be:

Disclosure Statement; Key Headings

Proposed office holders

This section should set out:

Details of the full name and address of those who have agreed in writing to become directors or other office holders in the proposed co-operative. The relevant qualifications of the directors and officers management and business of the proposed co-operative.

6. Day to day Management
7. Financial information
- 7.1 Start up funds

The Formation Meeting Before The Meeting

- notify potential members* of the date, time and place of the formation meeting
- prepare two copies of the approved rules for signing
- prepare a copy of any disclosure statement for signing
- have the C4 Application to Register Cooperative form ready for signing
- ensure you have sufficient copies of the rules and disclosure statement for everyone attending
- prepare the Application for membership form for completion by potential members. Application forms should record the full name and address, number of shares and face value of shares (if any), amount paid on the shares and signature.

The Formation Meeting

At The Meeting

- At least 5 people attend
- elect a secretary to keep a written record of the meeting
- present any disclosure statement approved by the Registrar
- pass the proposed rules. Two-thirds of the proposed members attending the meeting must vote in favour of adopting the rules. If members want to change the rules, the Registrar will need to approve changes and another formation meeting must be held
- elect the first directors according to the co-operative's rules
- proposed members sign the application for membership
- authorise someone to apply to Fair Trading and to do anything necessary to complete the registration process
- chairperson and secretary of the meeting sign two copies of the rules and any disclosure statement
- complete the C4 Application to Register Cooperative form

Formation Meet; Key Question



Three Key Steps

Step 1:

Rules, Disclosure
Statement & Name

Seek Registrar
Approval

Step 2:

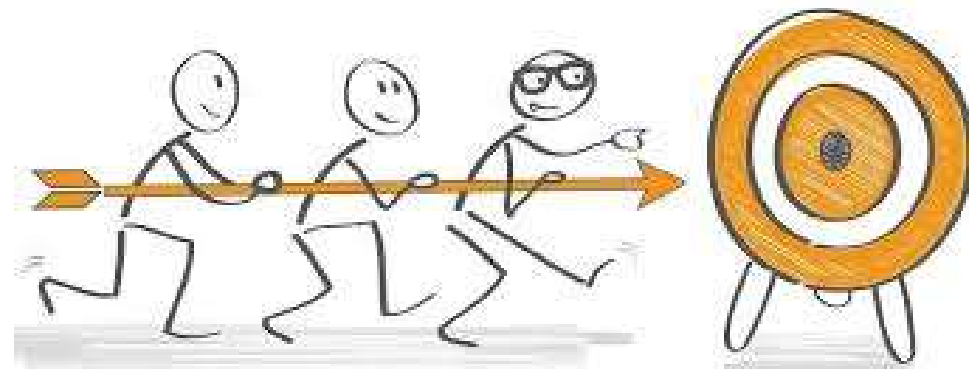
The Formation
Meeting

Step 3:

Apply To Register
The Co-operative

Next Steps

1. Provider Connections
2. Agree Name & Brand
3. Co-op Business Plan
4. Secure Investor Interest
5. Instruct BAL Lawyers
6. Commence Community Consultation
7. Plan Formation Meeting



Provider Connection Options

Limited

- Consumer Co-operative has a series of one on one transactional relationships with Providers

Mid

- Develop a 'Friends Of' unincorporated network of potential providers
- Build some form of organisational relationship between the consumer co-op and the 'Friends Of' Association

Full

- Form a co-operative legal entity/co-op for sole traders/contractors
- Develop a joint venture agreement between the two co-ops