



ORGANIC & REGENERATIVE INVESTMENT CO-OPERATIVE **ORICoop INVESTOR SHARES**



ORICoop is developing the ways its members can elect to invest into specific opportunities, and participate in longer term, real returns. The aim of this summary is to outline the prospective terms of a new class of ORICoop Investor Shares. We hope you will join our mission!

ORICoop's Mission

- » To increase & preserve the amount of certified organic farmland in Australia
- » To actively engage local and cooperative communities in food and farming production
- » To promote excellence in land management practices

ORICoop aims to accomplish this through four business activities:

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

ORICoop's success is measured against our triple bottom line:

- » Strong ecological & environmental returns
- » Significant social, community and local food benefits
- » Real & balanced financial returns to members

The primary purpose of the Investor Shares will be to finance the acquisition of organic farmland and associated infrastructure.



ORICoop's Mission



Delivered Through



Impacting On....





Indicative terms of ORICoop Investor Shares

KEY INVESTMENT FACTS

Face Value	\$500 per share
Projected dividend rate	As set by the CNL up to 3.03% on Face Value
Dividend frequency	Paid semi-annually subject to Board approval at its absolute discretion
Minimum investment	\$1,000
Maximum investment	\$50,000
Transferable	ORICoop will facilitate an internal market for transfers
Redemption	Subject to 6 months notice and available cashflows
Material adverse events	If required, ORICoop can apply redemption proceeds to acquire CCUs with a maturity of up to 10 years
Ranking	Preferred to member shares
Investors	Restricted to members only

Frequently asked questions

What are ORICoop Investor Shares?

Investor shares are a type of preference share, and represent an interest in the share capital of ORICoop. As such, they participate in its operating performance and are paid dividends from its surplus. The primary purpose of the Investor Shares will be to finance the acquisition of organic farmland and associated infrastructure.

How will the dividend rate be determined?

As the primary source of surplus will be from the earnings from farms and infrastructure that ORICoop owns, these are expected to underpin the payment of dividends on the Investor Shares. In determining the annual dividend rate, 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 to Investors over time. According to the Co-operative National Law, any dividends to Co-operatives are capped at 3.03%. Any surplus beyond this, ORICoop will invest back into farmland, communities and farm development according to the interest and preference of members.

How can I buy Investor Shares?

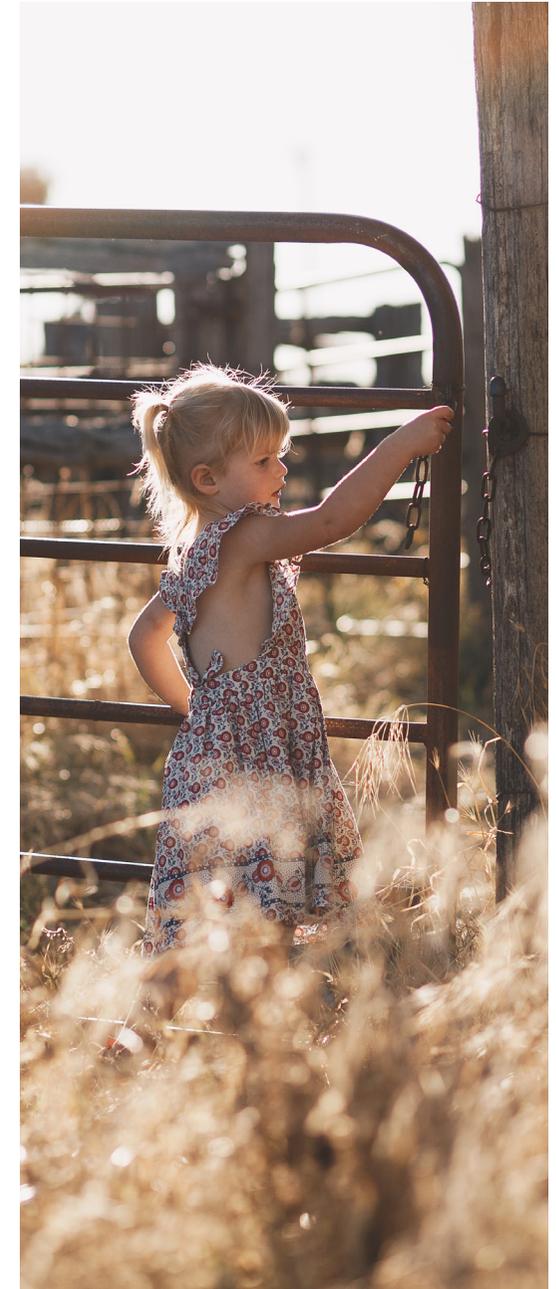
Only ORICoop members can buy Investor Shares. Investor Shares will be able to be acquired when ORICoop approves a specific investment in farmland or infrastructure. Members will then have the opportunity to acquire Investor Shares up to the approximate value of the assets being acquired. In this way, ORICoop can manage the expected yield on the Investor Shares to meet expectations in accordance with market conditions at that time.

ORICoop has made available to all members an updated copy of the Rules and Disclosure Statement, along with detailed financial and offer information.

Can I get my money back if I need to?

ORICoop recommends that members consider any investment in Investor Shares to be a long-term commitment. However should circumstances change, investors in the Investor Shares can seek to sell them to other members or request ORICoop to redeem their shares.

To help facilitate the potential transfer of Investor Shares between members, ORICoop will seek to create internal





mechanisms to enable members to buy and sell them. There is no guarantee that there will be buyers or sellers for Investor Shares or that they can be transferred at a particular price.

In certain circumstances, members can seek to redeem their Investor Shares. To manage the potential impacts of liquidity constraints and to promote equity across all stakeholders, ORICoop can suspend the payment of redemptions if needed. This would be achieved by converting any redemption proceeds into ORICoop CCUs with a term of up to 10 years. Such a CCU would also be non-voting and payment of any distributions would remain at the discretion of the Board. An investment in the CCU would be sufficient to qualify a person as an active member.

What happens if ORICoop is dissolved?

Investor Shares would be preferred to member shares. This means that Investor Shares would be redeemed after all other outstanding debts have been repaid, but prior to any member shares being redeemed.

Will I get a larger say in ORICoop's governance or operations?

No. ORICoop is founded on the principle of one member, one vote. The Investor Shares will carry no voting rights with respect to the

governance of ORICoop, and so no investor will have any more say than any other member-owner.

Understanding ORICoop's business

What is ORICoop's operating model?

The cooperative has 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 – 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 and communities – with course fees for education programs & subscription fees for Organic Farmers Journal
- » Creating better post-farm gate market mechanisms – with transaction fees from facilitating better market outcomes for organic farmers

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

It has minimal overheads – principally comprising accounting, regulatory, insurance, and web services expenses

All specific expenses required for each business activity are outsourced and included in the self-sustaining budgets for these activities

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.

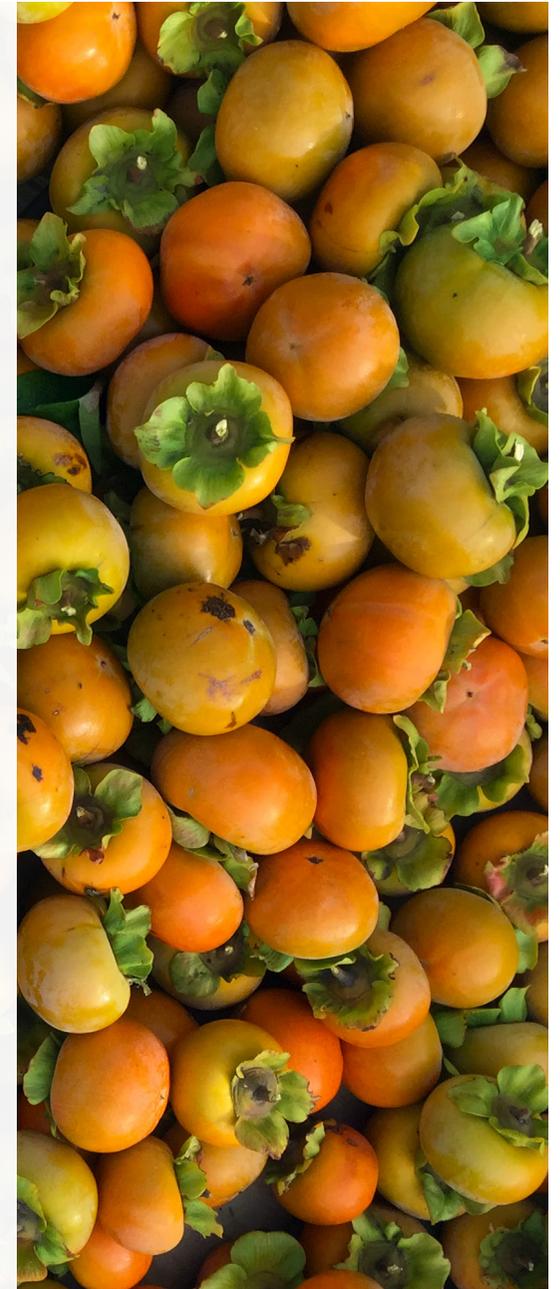
How are returns on Investor Shares tied to ORICoop's operating performance?

The principal activity that will determine the returns on Investor Shares will be owning farmland and infrastructure. While the returns from other activities can impact on the overall return on all shares issued by ORICoop, 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.

How does ORICoop select its investments?

For an investment to be considered by ORICoop it must meet Board approved investment criteria. Any prospective investment must:

- » 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 produce markets
- » Enable significant localised investment and community education/connection
- » Have suitable farm management expertise with long term intentions



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

- » An acquisition price no greater than that determined by an independent valuation commissioned by ORICoop
- » Existing & suitable farm infrastructure
- » Soil tests that demonstrate clean and fertile soil, within the context of local environments, production levels and standards
- » Potential for further property and farm business development
- » Cash earnings expectations that can support expected 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 5-7 year term
- » Farm operating earnings at least three times debt repayment requirements

What is ORICoop's investment management process?

All investments in farmland and infrastructure must be undertaken in accordance with a 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 is maintained.

The investment process is as follows:

- » Prospective investments are analysed and 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 two ORICoop Board members.





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.

How will reporting be undertaken?

For all investments of farmland and infrastructure funded by ORICoop our Investors can expect an analysis of the performance of each investment in the annual report. Additionally, ORICoop will organise farm Investor Days each

year as part of its education and community building activities.

The Investment Sub-Committee will require semi-annual reporting from its Independent Consultant panel with respect to each investment. Such reporting will be in accordance with the terms of the Farm Management Agreements in place between farms and ORICoop.

How are investments structured?

ORICoop will undertake investment in farmland via the establishment of wholly-owned subsidiary companies. This structure enables ORICoop to quarantine the performance of each farm.

ORICoop will undertake investment in infrastructure where it does not own the farm as a debt investor. This structure enables the debt to be amortised over the life of the infrastructure and still provides sufficient flexibility to allow for unforeseen circumstances.