

## **COOPERATIVE COFFEES**

## **NEW MEMBERSHIP PROCESS**

## Steps:

- 1. To begin the process of becoming a Cooperative Coffees member the applicant must establish at least a 12 month purchase history with Cooperative Coffees.
- 2. Prior to submitting an application Coop Coffee's General Manager will arrange a call with the potential member and review the process and talk about the values and goals of the organization.
- After establishing a 12 month purchase history the applicant may complete the <u>Cooperative Coffees</u>
  <u>Membership Application</u> (send pdf copy) and send the following to our Membership Committee:
  <u>MSC@coopcoffees.com</u>
  - a. Electronic copy of your completed application
  - b. At least two letters of recommendation from existing Cooperative Coffees members, one of which must be from the Cooperative Coffees member that is geographically closest to your operations. (If you are unsure who the closest member is, the Membership Committee can provide you with that information.)
  - c. A detailed report of your total green coffee purchases during the last 12 months.
  - d. Examples of your company's promotional materials.
- 4. The Membership Committee will review all applications, request additional information as necessary and assign you a committee contact person. Your contact will keep you informed of the progress of your application and will answer any questions that you might have along the way.
- 5. Applicant payment history must be reviewed by Director of Finance as part of the documentation to present to the Board. Once the Membership Committee has collected all necessary information concerning an applicant, the committee will present the Member Application with the corresponding recommendations to the Board of Directors at the next scheduled meeting. The Board will make the final decisions regarding the acceptance of new members into the cooperative as a provisional member.
- 6. Provisional member must agree to purchase a minimum of 120 bags of green coffee annually through the cooperative. Participation must be at least 50% of all green coffee purchases through the cooperative in the second year of participation (the first year of full membership)..
- 7. After the board has approved the applicant for membership, the provisional member is required to purchase one share of Cooperative Coffees common stock, valued at \$2,500.00 USD and sign the

Ownership and Purchase Agreement, which grants the provisional member voting rights. Provisional members are eligible for member prices. Credit is extended to provisional members equal to the dollar value of their investment in the cooperative or an agreed upon amount by the board. If full membership is denied or not desired at the end of the provisional year, \$2,250 USD of this fee will be refunded (\$250.00 USD will be retained as an administration fee).

- 8. At the end of the provisional year, the relationship will be re-evaluated. Provisional member payment history must be reviewed by Director of Finance and presented to the Board. At that time, either the new member or the Board of Directors may decide that there are compelling reasons to annul the relationship. If not, the provisional member becomes a permanent member upon Board approval and the purchase \$5,000 USD of Preferred Stock.
- 9. An additional \$10,000 USD of Preferred Stock must be purchased, or payment terms arranged with the Director of Finance. Payment terms longer than the first year of permanent membership to invest \$10,000 USD in Preferred Stock with Cooperative Coffees must be approved by the board.