



DECISION-MAKING IN THE ECOLOGICAL LAND CO-OPERATIVE: AN EXPLANATION OF THE RULES ON VOTING RIGHTS

Drafted November 2009

The Co-operative is a Multi-Stakeholder Co-operative. Like regular co-operatives, each member has one vote, regardless of the number of shares they own. Unlike regular co-operatives, each stakeholder group is allocated a percentage of total votes. The Ecological Land Co-operative has 3 stakeholder groups: Investors, Stewards, and Workers. Voting rights are apportioned as follows:

- Steward Members – 66% of 75% of the votes, or 49.5%, unless there are fewer than 3 Steward Members, more on this below.
- Investor Members – 25% Voting Rights, unless there are more than 3 times the number of Steward and Worker Members as there are Investor Members. More on this below.
- Worker Members – 34% of 75% of votes, or 25.5%, unless there are fewer than 3 members, more on this below.

The rules on this, (2.7d), read:

“If there are fewer than three members in any class of user membership, then the voting strength, expressed as a percentage of the voting strength of user members, of each class will be the proportion of user members in that class. Otherwise it will be fixed as follows:

Class number	% voting strength (totalling 100%)
3	34%
4	66%

The voting strength of non-user members, expressed as a percentage of the total voting strength in general meetings, will be the proportion of the membership that are non-user members, provided that this is no more than 25%.”

What does this mean?

1. *“If there are fewer than three members in any class of user membership, then the voting strength, expressed as a percentage of the voting strength of user members, of each class will be the proportion of user members in that class”.*

User Members are Worker and Steward Members. If there are fewer than 3 Worker Members, or fewer than 3 Steward Members then each User Member gets the same voting right, regardless of whether they are a Steward or a Worker. For example, if the Co-operative were to have 5 Worker Members and only 2 Steward Members, all 7 Members would receive an equal vote and the Worker Members together would represent 71% of the total User Member votes while the Steward Members’ votes would represent 29%. Although this is a possible scenario, as the Co-operative already has 3 Worker Members and 5 Steward Members so this exception would not now apply.

2. *“Otherwise it will be fixed as follows:*

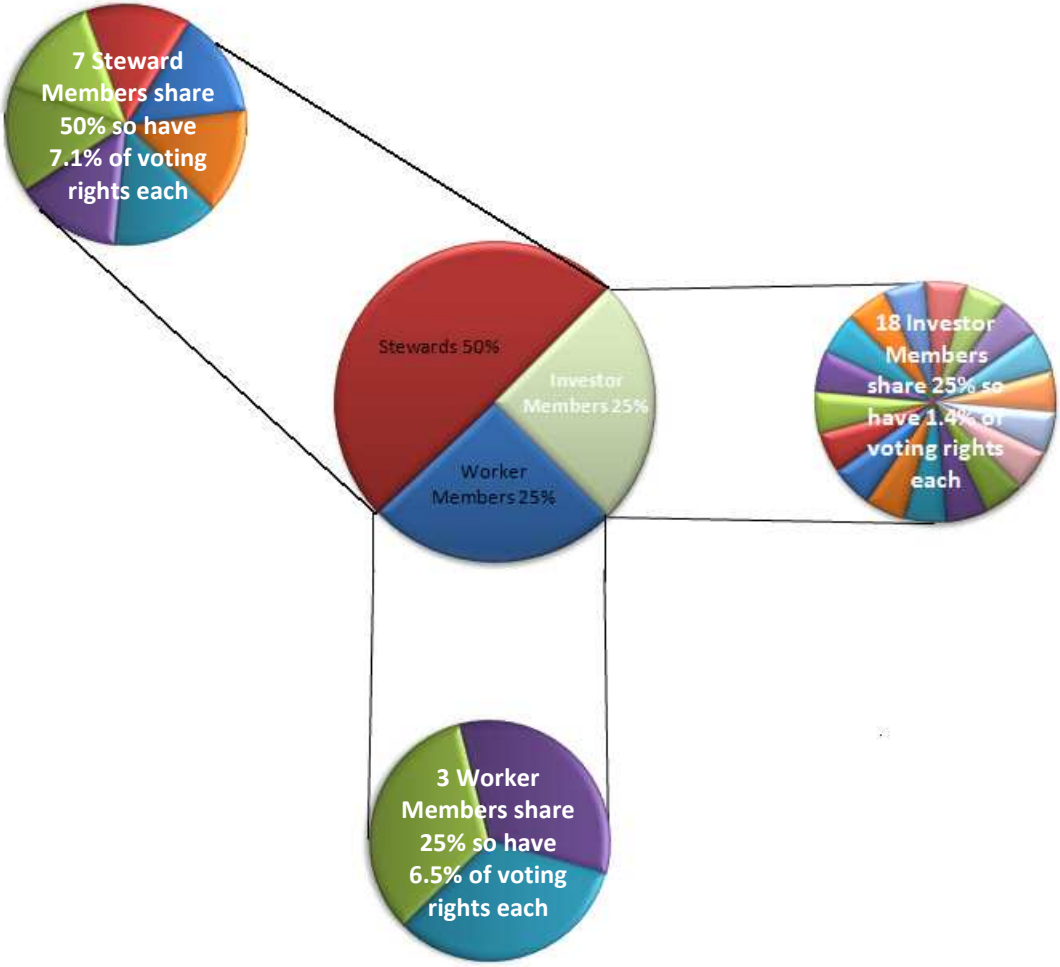
Class number	% voting strength (totalling 100%)
3	34%
4	66%

When there are more than three Worker Members and more than three Steward Members, Steward Members as a group receive 66% of the voting rights granted to User Members and Worker Members receive 34% of voting rights granted to User Members. For example, there are currently 3 Worker Members and 7 Steward Members, so each Worker Member would have a third of 34%, or 11% of User Member voting rights and each Steward Member would have a seventh of 66% or 9% of User Member voting rights.

- 3. "The voting strength of non-user members, expressed as a percentage of the total voting strength in general meetings, will be the proportion of the membership that are non-user members, provided that this is no more than 25%."

The only Non-User Members are Investor Members. With our current numbers: 7 Steward Members, 3 Worker Members and 18 Investor Members, Investor Members would receive 25% of voting rights because if they were to receive the proportion of the membership that are non-user members, they would receive 64% of the votes – 18 out of a total of 28. So Investor Members' voting strength is currently capped. The only situation in which the voting strength of Investor Members falls below 25% is when there is more than 3 times the number of Steward and Worker Members as there are Investor Members. With our current numbers of Investor Members, this would mean the other two classes of members together would have to increase more than five-fold.

AS AN EXAMPLE: As our membership currently stands (06/11/2009), votes are distributed as follows:



THE ABOVE ILLUSTRATION IS AN EXAMPLE