

GEOGRAPHE BAY COMMUNITY ENTERPRISE LIMITED

ACN 146 993 982

NOTICE OF GENERAL MEETING

TIME: 5:30pm

DATE: 28th June 2019

PLACE: Bendigo Bank Branch (Boardroom)

4/50-54 Queen St, Busselton WA 6280

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 0412 277 169

Important Information

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- A. each member has a right to appoint a proxy;
- B. the proxy need not be a member of the Company; and
- C. a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Business of the Meeting

Business

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Statement which accompanies this Notice. References to the "Corporations Act" are to the Corporations Act 2001 (Cth), unless the context requires otherwise.

1. Resolution 1 – Issue of Redeemable Preference Shares

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, pursuant to section 254A(2) of the Corporations Act and for all other purposes, approval is given for the Company to issue 300,000 Redeemable Preference Shares to Bendigo and Adelaide Bank Limited at \$1-00 per Redeemable Preference Share with the rights attaching to the Redeemable Preference Shares as set out in Schedule 1 on the terms and conditions set out in the Explanatory Statement.

2. Resolution 2– Modification of constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by replacing clause 9 (1) with the following:

"A person other than Bendigo and Adelaide Bank Limited must not have a Prohibited Shareholding Interest"

DATED: 26th May 2019

BY ORDER OF THE BOARD

**WARWICK HOWARD
COMPANY SECRETARY
GEOGRAPHE BAY COMMUNITY ENTERPRISE LIMITED**

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. Resolution 1 – Issue of Redeemable Preference Shares

1.1 Background to Resolution 1

The Company currently owes Bendigo and Adelaide Bank Limited (**Bendigo Bank**) approximately \$1,028,676 under an overdraft facility (**Loan Amount**).

The Company and Bendigo Bank entered into a Subscription Agreement dated on or about 19 March 2019 pursuant to which Bendigo Bank agreed to subscribe for 300,000 Redeemable Preference Shares at \$1-00 per Preference Share in consideration for \$300,000 (**Subscription Agreement**). Under the Subscription Agreement the subscription sum is to automatically be applied towards the reduction of the Loan Amount by \$300,000.

This will reduce the amount of debt the Company has on issue and will allow the Company to free up funds in the future to pay dividends to holders of shares in the Company.

The issue of the Redeemable Preference Shares is subject to Resolutions 1 and 2 being passed at the general meeting.

1.2 Corporations Act

Section 254A(2) of the Corporations Act provides that *'a company can issue preference shares only if the rights attached to the preference shares with respect to the following matters are set out in the company's constitution (if any) or have otherwise been approved by special resolution of the Company:*

- (a) *repayment of capital;*
- (b) *participation in surplus assets and profits;*
- (c) *cumulative and non-cumulative dividends;*
- (d) *voting;*
- (e) *priority of payment of capital and dividends in relation to other shares or class of preference shares.'*

GBCEL's constitution does not contain any rights attaching to preference shares.

1.3 Approval being sought

Pursuant to Resolution 1 the Company seeks Shareholder approval by special resolution:

- (a) to issue 300,000 Redeemable Preference Shares at \$1-00 per Redeemable Preference Share to Bendigo Bank pursuant to the Subscription Agreement; and

(b) to the rights attaching to the Redeemable Preference Shares.

The terms and conditions of the Redeemable Preference Shares are set out in Schedule 1 to this Notice of Meeting and Explanatory Statement and cover the matters required by Section 254A(2) of the Corporations Act.

2. Resolution 2 – Modification of constitution

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Clause 9 (1) of the Company's constitution provides as follows:

A person must not have a Prohibited Shareholding Interest.

Clause 9 (2) of the Company's constitution provides as follows:

A person has a Prohibited Shareholding Interest if the person's voting power in the Company is 10% or more.

The Redeemable Preference Shares to be issued to Bendigo Bank the subject of Resolution have limited voting rights. Upon issue of the Redeemable Preference Shares Bendigo Bank will have a voting power in the Company of approximately 18.9%.

Resolution 2 is a special resolution which will enable the Company to modify its existing Constitution by replacing clause 9 (1) with the following:

"A person other than Bendigo and Adelaide Bank Limited must not have a Prohibited Shareholding Interest"

Accordingly, Resolution 2 will facilitate the issue of the Redeemable Preference Shares the subject of Resolution 1.

GLOSSARY

In this Explanatory Statement (and the Notice of Meeting) the following terms will bear the following meanings, unless the context otherwise requires:

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting and where relevant the Chair for the relevant part of the Meeting.

Company means Geographe Bay Community Enterprise Limited (ACN 146 993 982).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by this Notice.

Meeting means the general meeting of Shareholders convened by this Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Schedule 1 - Terms and Conditions of Redeemable Preference Shares

The terms and conditions of the Redeemable Preference Shares (**Preference Shares**) are as follows:

- (a) (**Preference Shares**) Each Preference Share is a share in the capital of Geographe Bay Community Enterprises Limited (ACN 146 993 982) (**Company**) with an issue price of \$1.00 per Share (**Issue Price**).
- (b) (**No Voting Rights- Ordinary Shareholders Resolutions**) A Preference Shares does not entitle the holder (**Holder**) to vote on any resolutions proposed at a general meeting of the holders of ordinary shares in the capital of the Company (**Ordinary Shares**) except in the following circumstances.
 - (i) If at the time of the commencement of the meeting a dividend (or part of a dividend) on the Preference Shares is in arrears.
 - (ii) On a proposal to reduce the Company's share capital.
 - (iii) On a resolution to approve the terms of a buy-back agreement.
 - (iv) On a proposal that affects rights attaching to a Preference Share.
 - (v) On a proposal to wind up the Company. On a proposal for the disposal of the whole of the Company's property, business and undertaking.
 - (vi) During the winding up of the Company.
- (c) (**Voting Rights at Meetings of Preference Shareholders**) A Preference Share does entitle the holder to vote on any resolutions proposed at a meeting of Preference Shareholders only on the basis of one vote per Preference Share.
- (d) (**Dividends**) Dividends are non-cumulative. A Preference Share shall have full dividend rights, identical to those of Ordinary Shares, and except on a winding up of the Company such dividend rights will not be in priority to but will be equal to the rights of holders of Ordinary Shares.
- (e) (**Rights on Winding Up**) Upon a winding up of the Company, each Preference Share confers upon its holder the right to payment in cash, from any surplus assets or profits of the Company, of the capital then paid up on that Preference Share, and any dividends or income due to it in connection with that Preference Share in priority to any other class of shares in the Company (including any other class of preference shares), but otherwise has no right to participate in the surplus profits or assets of the Company.
- (f) (**General Meetings**) A Preference Share shall confer on the Holder the right to receive notices of general meetings, reports and accounts of the Company and to attend and speak at general meetings of holders of Ordinary Shares.
- (g) (**Not Transferrable**) A Preference Share is not transferrable or saleable except with the prior written approval of the board of Directors of the Company and the Holder must not sell or transfer interests in, or grant options over, the Preference Shares except with the prior written approval of the Directors.

(h) **(Redemption)**

- (i) Subject to Section 254K of the Corporations Act, at any time after the issue of a Preference Share the Preference Share may be redeemed at the election of the Company by written notice to the Holder (Redemption Notice).
- (ii) The redemption of a Preference Share the subject of a Redemption Notice will occur 14 days after a Redemption Notice has been issued by the Company (Redemption Date).
- (iii) On the Redemption Date the Company must pay the relevant Holder:
 - (A) the Issue Price for each Preference Share redeemed (by way of repayment of capital); and
 - (B) any dividend that has been declared but is unpaid in relation to each Preference Share redeemed,

(Redemption Amount).

On the Redemption Date the Holder must provide the Company the share certificate for the Preference Shares to be redeemed which will be cancelled. If less than the Holder's full holding of Preference Shares are being redeemed, the Company will issue the Holder a replacement share certificate for the remaining Preference Shares on issue held by the Holder.

- (iv) On and from the Redemption Date, subject to the redemption occurring, the only rights the Holder will have in respect of the Preference Shares to be redeemed will be to obtain the Redemption Amount payable in accordance with these terms and upon such payment of the Redemption Amount, all other rights conferred or restrictions imposed by the relevant Preference Share will no longer have effect.

- (i) **(Cancellation of Preference Shares)** Preference Shares that are redeemed will be cancelled and may not be re-issued.

(j) **(General)**

- (i) Whilst Preference Shares are on issue the Company will maintain a register of Holders.
- (ii) Holders rank equally amongst themselves in all respects.
- (iii) Preference Shares do not confer on Holders any right to participate in profits or property except as set out in these terms.
- (iv) Preference Shares confer no rights to subscribe for new securities in the Company or to participate in any bonus issues.

- (k) **(Variation of rights and Amendments)** The rights attached to a class of Preference Shares may not be varied or abrogated except with the consent of the Holder of the Preference Shares. Any issue of securities ranking in priority to the Preference Shares is for the purposes of this provision a

variation of the rights attaching to the Preference Shares. The terms of the Preference Shares may not be amended except with the consent of the Holder of the Preference Shares.

- (l) **(No other Preference Shares or classes of preference shares)** No other Preference Shares or other classes of preference share may be issued without the consent of the Holder of the Preference Shares.
- (m) **(Nominee director)** The Holder of Preference Shares has the right to a nominee director while the Holder of any Preference Shares. The Company agrees the Board will appoint the person nominated by the Holder from time to time and recommend the reappointment to shareholders.
- (n) **(No other Rights)** A Preference Share does not confer on the Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms. For the avoidance of doubt, the Holder has no rights to redeem a Preference Share at its own election.

PROXY FORM

**PROXY FORM - GENERAL MEETING OF
GEOGRAPHE BAY COMMUNITY ENTERPRISE LIMITED
ACN 146 993 982**

Appointment of Proxy

I/We _____
of _____

being a member of Geographe Bay Community Enterprise Limited (**Company**) entitled to attend and vote at the General Meeting of the Company (**Meeting**) to be held at 5:30pm (WST) on Friday 28th June 2019 hereby appoint:

_____ or the Chair of the Meeting as your proxy
Print name of Proxy (if so please mark the box)

or failing the person or body corporate named, or if no person or body corporate is named or selected above, the Chair of the Meeting, as my/ our proxy to act on my/ our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted at law, as the proxy sees fit) at the Meeting and any postponement or adjournment of the Meeting.

The Chair of the Meeting intends to vote undirected proxies in favour of each Resolution.

My/our Voting Instructions on Business of the Meeting

Number	Resolutions	For	Against	Abstain
1	Grant of Redeemable Preference Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Modification of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s)

If the member(s) is an individual(s), every member is to sign:

If the member is a company, sign in accordance with Section 127(1) of Corporations Act:

Signed: _____

Director or Sole Director and Secretary

Signed: _____

Director/Secretary

Contact Name: _____ Contact Ph (daytime): _____

**GEOGRAPHE BAY COMMUNITY ENTERPRISE LIMITED
ACN [INSERT ACN]**

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Attn: Company Secretary Geographe Bay Community Enterprise Limited, 4/50-54 Queen St Busselton WA 6280; or
 - (b) facsimile to the Company on facsimile number +61 8 9754 4622 or
 - (c) email to the Company at secretary@bendigogeo.com.au,

so that it is received at least 48 hours before the meeting.

Proxy forms received later than this time will be invalid.