

Mirboo North, 27/9/23

Dear Shareholder,

The Board of SRCEL are delighted to announce a dividend of 7 cents per share. This dividend will be fully franked and will be paid on or around 30th October 2023.

Furthermore, we invite you to join us for our **2023 Annual General Meeting (AGM)**. The details are:

- Date: **Wednesday, 1st November 2023 at 7:00pm (AEDT)**
- Location: Baromi Centre, Couper Street, Mirboo North

The AGM will be followed by a presentation of the latest round of Community Investment Program Awards with refreshments available. These nights are always a great celebration of COMMUNITY and the interesting projects that are happening again around the district.

You, our Shareholders, make it possible to run this community enterprise in our district that not only provides banking services to our region, but has now been able to return more than \$1.9M back to the clubs and organisations of our district. Please come and celebrate with us!

Please find enclosed a:

- Notice of Annual General Meeting
- Proxy Form
- A Share Buyback proposal

If you are unable to attend, please consider submitting your Proxy Form. Instructions on how to do this can be found on the form.

Kind Regards



Anne Marie Dieperink
Executive Officer
On behalf of the Board
Strzelecki Ranges Community Enterprises Ltd

Notice of Annual General Meeting

Strzelecki Ranges Community Enterprises Limited
A.B.N. 76 139 013 095

**To be held at 7:00 pm (AEDT) on Wednesday 1st November 2023
at the Baromi Centre, Couper Street, Mirboo North**

Ordinary Business

1. Receipt of Annual Report

To receive the Company's Financial Report, the Director's Report and the Auditor's Report for the year ended 30 June 2023.

2. Election of Directors

To consider, and if thought fit, to pass each of the following resolutions as an ordinary resolution.

Re-election of Directors retiring by rotation

- a) That **Machteld Lebertha Thomas** be elected as a Director of the Company
- b) That **Colin Alexander Brick** be elected as a Director of the Company
- c) That **Annette Margaretha Dieperink** be elected as a Director of the Company

3. Special resolution

To consider, and if thought fit, pass the following resolution as a special resolution: "That the proposed selective share buyback, as detailed in the documents submitted to the meeting, be approved."

Attending the meeting

All shareholders may attend the Annual General Meeting.

Joint holders: In the case of joint shareholders, all holders may attend the Meeting. If only one holder attends (including by proxy), that shareholder may vote at the Meeting as if that holder were solely entitled to the shares. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register may vote.

Proxy: If you are unable to attend the Meeting, you are entitled to appoint a proxy to attend and vote. See the attached Proxy Form for information on appointing a proxy.

Corporate shareholder: A corporate shareholder may appoint one or more persons to act as its representative under section 250D of the Corporations Act, but only one representative may exercise the corporate shareholder's powers at any one time. The company requires written evidence of a representative's appointment to be given to the company before the meeting.

Voting rights

Each shareholder is entitled to **one** vote.

For the purposes of voting at the Meeting, shares will be taken to be held by the persons who are registered as shareholders as at 5 pm on 27th October 2023.

By order of the Board,

Anne Marie Dieperink
Company Secretary
27th September 2023

Notice of Annual General Meeting

Explanatory Notes

This information has been included to assist you in making an informed decision about the resolutions proposed at the meeting.

Agenda item 2. Election of Directors

The following information is provided about candidates for election to Board.

Re-election of Directors retiring by rotation

- a) **Machteld Lebertha Thomas** retires by rotation in accordance with the constitution of the Company, and being eligible, offers herself for re-election.
- b) **Colin Alexander Brick** retires by rotation in accordance with the constitution of the Company, and being eligible, offers himself for re-election.
- c) **Annette Margaretha Dieperink** retires by rotation in accordance with the constitution of the Company, and being eligible, offers herself for re-election.

Agenda item 3: Special resolution

The Board of Strzelecki Ranges Enterprises Limited wishes to undertake a selective share buyback. To assist shareholders, the proposed buyback is detailed in the accompanying Explanatory Note.

Annual Report

The Annual Report will be available on our website from the 6th October 2023:

<https://www.bendigobank.com.au/branch/vic/community-bank-mirboo-north-district/>

Printed copies will be available at the Branch after 18th October 2023 or on the night at the AGM.

Shareholders with a valid e-mail address will receive the Annual Report electronically.

Proxy form

Strzelecki Ranges Community Enterprises Limited
A.B.N. 76 139 013 095

All correspondence to:
Strzelecki Ranges Community Enterprises Limited
P.O. BOX 351
Mirboo North, VIC 3871 Australia
Enquiries 0428 844 298

Name of Shareholder/s:
Address:

Appointment of proxy

I/We being a shareholder/s of **Strzelecki Ranges Community Enterprises Limited** and entitled to attend and vote at the 2021 Annual General Meeting (AGM) to be held at **Mirboo North** on **1st November 2023** at **7.00 pm** appoint:

The Chair of
the Meeting
(mark with an 'X')

OR

(Please write the name or position/office of
the person or the name of the body corporate
that you are appointing as proxy)

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions or, if the proxy is left open and to the extent permitted by law, to vote as the proxy chooses at the AGM and, if the meeting is adjourned, when the meeting has been reconvened for business.

Chair to vote open proxies in favour: I/We acknowledge that the Chair of the meeting intends to vote all available open proxies in favour of all items of business.

If you wish to direct your proxy how to vote, please mark your direction in the next section of this form.

VOTING DIRECTIONS TO YOUR PROXY (Please mark with 'X' to indicate your directions)

Ordinary Business	Accept	Decline	Abstain*
Item 1. Receipt of Financial Report, Director's Report and Auditor's Report			
Item 2a. Re-election of Machteld Lebertha Thomas as a director			
Item 2b. Re-election of Colin Alexander Brick as a director			
Item 2c. Re-election of Annette Margaretha Dieperink as a director			
Item 3. Special Resolution: Approval of the Share Buyback proposal contained in the documents submitted to the meeting			

- you should indicate an 'X' in only one box for each for each item of business;
- if the Chair of the meeting is your proxy and you do not mark any of the boxes opposite Item 2, you are directing the Chair to vote in favour of the resolution on item 2 (Remuneration Report). Otherwise, if your proxy is left open for an item of business, your proxy is able to vote as they choose or to abstain from voting on that item, subject to any voting restrictions that may apply to your proxy (further details are provided on the next page). As noted above, the Chair intends to vote all available proxies in favour of each resolution;
- if you mark the "abstain" box for an item of business, you are directing your proxy not to vote on that item, and
- abstentions will not be counted in calculating the required majority on a poll.

SIGNING OF PROXY FORM

This section **MUST be signed** in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
-----------------------------	---------------	---------------

Sole Director and
Sole Company Secretary

Director

Director / Company Secretary

Proxy form

HOW TO COMPLETE YOUR PROXY FORM

1. Appointment of Proxy – General Information

A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf.

Shareholders should note that:

- all shareholders have the right to appoint a proxy
- a proxy does not have to be a shareholder of **Strzelecki Ranges Community Enterprises Limited** and
- a proxy may be an individual or a body corporate

If you wish to appoint the Chair of the meeting as your proxy, please mark the box with an 'X' to show this appointment. If you wish to appoint another individual as your proxy, please write the name of that person or the person's position or office.

If you wish to appoint a body corporate as your proxy, please write the body corporate's name.

If the appointed proxy (other than the Chair of the meeting) is not in attendance at the meeting, the Chair of the meeting will act as your proxy. If you have not nominated a proxy, the Chair of the meeting will act as your proxy.

2. Your name and address

This is your name and address as it appears on the company's share register.

3. Appointment of a proxy

A shareholder entitled to attend and vote at the meeting may appoint one proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

4. Identity of proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, the Chairman of the Meeting will act as your proxy.

5. Voting instructions

You are encouraged to direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

6. Signing of proxy form

A proxy appointment is only valid if the proxy form has been signed by the shareholder(s) making the appointment(s). The following rules apply in relation to the signing of proxy forms for joint holdings, proxy forms signed under power of attorney, and proxy forms signed by corporate shareholders:

Individual

If the holding is in one name, the individual shareholder must sign.

Joint holding

If you hold your shares jointly, all shareholders should sign the proxy form. A proxy form signed by the shareholder whose name appears first in the register, but not by the other joint holder(s), will also be accepted as valid.

Power of Attorney

If a proxy form is signed under a power of attorney, you must lodge the original or certified copy of the power of attorney with your proxy form, unless you have previously lodged one of these documents with the company.

Corporate shareholders

Proxy forms for corporate shareholders should be signed in accordance with your company's constitution or the *Corporations Act*. If a representative of the company is to attend the meeting, the appropriate 'Certificate of Appointment of Corporate Representative' must be produced before admission to the meeting.

Lodgement of your proxy form (related documents)

This Proxy Form (and any Power of Attorney under which it is signed) must be received by the Company not later **5.00 p.m.**

27th October 2023). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged in any of the following ways:

Post or hand delivery:

To the Company's registered office at **88 Ridgway Mirboo North VIC 3871** or by post to **P.O. Box 351 Mirboo North VIC 3871**

Electronic Lodgement:

Email to scel1@bigpond.com

EXPLANATORY NOTE

Strzelecki Ranges Community Enterprises Ltd Selective Share Buyback Proposal

Introduction

The Board of Strzelecki Ranges Community Enterprise Limited (SRCEL) would like to thank all shareholders for the vital role you played in the establishment of the Community Bank Mirboo North and District (Community Bank). The primary consideration for most initial purchasers of shares was their belief that a successful Community Bank provided a vital service and employment to the community. There was also the hope that a Community Bank would provide a return to the community through the distribution of its profits by way of grants, sponsorships, and donations. **The Community Bank Mirboo North and District has certainly achieved this!** It became a profit-making business within two years, and in the thirteen years of operation has provided close to \$2 million back to the communities in our district.

Few of the initial shareholders would have had a personal return in the way of dividends as a primary consideration. However, the Bank has delivered here also, providing a total of 44 cents per \$1 share in fully franked dividends since opening in 2010. Over the past five years the annual dividend has been a very healthy 5 cents per share fully franked. The dividend for 2022-2023 will be 7 cents per share, bringing the progressive return up to 51 cents per \$1 share.

However, circumstances change for individuals, and some shareholders are now in a position where they wish to sell their shares. This may be due to changed financial situations, having moved from the area, estate management considerations or other personal reasons.

Unfortunately, despite the Community Bank's great operating success, some shareholders have found it difficult to sell their shares, with some parcels having been on the register since 2014. This is a common factor across Community Banks, and a situation the Board has attempted to address for some time.

The Board's view is that we have an obligation to the people that had faith in the concept of the Community Bank, and they should not be disadvantaged by an inability to sell their shares now their circumstances have changed.

Therefore, we are proposing a Selective Share buyback of Strzelecki Ranges Community Enterprises Ltd shares.

The offer would be restricted to the 20 parcels of shares listed for sale on the Register of Interested Parties as at 13th May 2023.

This is a total of 59,000 shares out of the initial capital raising for the Bank of 833,462 shares. The Board has set a buyback price of \$1 per share (see below for further details).

A share buyback is a relatively complicated process that requires approval from ASIC, Bendigo Bank and the shareholders. There are a number of steps to be taken, following ASIC rules, culminating in a shareholder vote via a special resolution at the AGM. This proposal needs a 75% majority vote.

Advantages and Disadvantages of the proposed Share Buyback

The Board feels that the buyback proposal has several positive impacts.

- The total shareholdings of the Bank would go down from 833,462 to 774,462 shares. Thus, any future dividends paid will be shared across a lower base, leading to a potential higher return for each shareholder.
- By taking this backlog of shares for sale out of the low volume market, combined with our good dividend history, we also believe it will have a positive impact on share perceptions moving forward.
- Our constitution allows for a potential future buyback, subject to meeting certain criteria. It should be noted that the Board does not have any current intention of another buyback.
- No franking credits will be utilised as part of the buyback proposal.

The Board strongly believes that there are no disadvantages to existing shareholders from the buyback proposal as the company has ample cash reserves and other assets to operate successfully into the future throughout the terms and conditions of the Franchise Agreement.

Particulars of the Selective Share Buyback

- SRCEL currently has 341 shareholders and 833,462 ordinary shares on issue
- SRCEL proposes to buy back up to 59,000 of the shares on issue
- The selective share buyback offer is being made available to all shareholder who had shares listed for sale on our 'Register of Interested Parties' as at 13th May 2023
- The offer price for each share will be \$1.00. SRCEL will pay all transaction costs associated with the selective share buyback proposal and no brokerage is payable on the sale of shares
- The offer price was determined by the 'average capital per share' approach as detailed in ATO Tax Ruling PLSA 2007/9 paragraph 62. This calculation was then reviewed by the board of directors to appropriately reflect the value of the shares. Having reviewed this ATO ruling on other Community Bank share buyback proposals, it is our view that the fair value for the shares for ATO purposes is \$0.975 per share
- Based upon the above valuation, the Board has set a buyback price of \$1.00 per share. This includes a \$0.025 unfranked dividend
- The buyback scheme will commence at 9am on the 20th November 2023 and closes at 5pm on the 31st January 2024
- Payments for shares bought back will be completed by 14th February 2024. Payment will be made by electronic funds transfer
- SRCEL will use existing excess cash reserves to fund the payments to shareholders who participate in the buyback scheme
- No current directors are eligible to participate in the selective share buy-back scheme

Eligible Shareholders

Below is the list of shareholders eligible for the selective share buyback scheme, through having parcels listed for sale on the 'Register of Interested Parties' as at 13th May 2023:

ID	Name	Number of shares
19	R. Arnold	1,000
20	M. Nicholls	1,500
39	M. & N. Bracecamp	500
45	J. & A. Plowman	5,000
48	G. Kennedy	1,000
49	H. Hinkley	500
63	Estate of N. Peart	1,000
65	Estate of D. Bawden	3,000
66	Estate of D. Bawden	5,000
71	J. Monacella	5,000
74	Estate of B. Littlejohn	5,000
75	G. Van Hoorn	1,000
77	D. Lewis	2,000
78	R. Nyhuis	1,000
79	G. Blake	10,000
80	E & K Szabo	2,000
81	E & K Szabo	5,000
82	E & K Szabo	3,000
83	J. Stockton	2,000
88	R. & M. Girling	4,500
	Total	59,000