

23<sup>rd</sup> April 2022

Dear Shareholder,

At our Board meeting held on 22<sup>nd</sup> April 2022 the Board resolved to put a resolution to Members at a Special General Meeting. The resolution requests an amendment to Rule 16 to increase the maximum permitted shareholding from \$35,000 to \$100,000.

The reason for the proposed increase is to allow your Co-operative to secure further capital for ongoing expansion and to improve our services and offerings to our members. A couple of the key projects currently being pursued include the acquisition of land and expansion of our Griffith Branch site; the re-development of our Yenda Branch site; further investment into our Coleambally site; and expanding our service offerings at our Victorian Branches.

The Board of Directors wish to advise Shareholders that this particular rule was last changed in the 2000/2001 year when we increased the limit from \$20,000 to \$35,000. Previous to this, we increased the limit from \$10,000 to \$20,000 during the 1990/1991 year. In addition, the Board have directed that regular share capital reviews should be undertaken in the future.

Below is the recommended change to Rule 16 proposed by the Board:

**Division 4 Shares**

**16 Capital and shares (CNL ss76–82)**

- (1) *The capital of the co-operative must be raised by the issue of shares of nominal value of one dollar (\$1.00) each.*
- (2) *A member must hold a minimum of ten (10) shares in the co-operative and must not hold more than one hundred thousand dollars worth of shares (\$100,000) or have a relevant interest in more than 20% of the nominal value of issued share capital of the co-operative unless permitted to do so under section 363 of the Law.*
- (3) *No share is to be allotted unless the nominal value of the share has been paid.*
- (4) *A share in the co-operative does not carry a vote.*
- (5) *The right to vote in the co-operative is attached to membership and governed by section 228 of the Law."*

**Explanatory Notes:** The Rule change simply updates the maximum shareholding of a member. It effectively increases a member's maximum shareholding from \$35,000 up to \$100,000, under our Co-op's Share Capital Rule 16 and the Co-operatives National Law (CNL) – referred to above as 'the Law'.

The Board thanks you for considering the Rule update, further information can be obtained by contacting the Company Secretary, Mr Anthony Nehme at the Yenda Branch office and we look forward to your participation at the Special General Meeting to be held both in person and via zoom at the Yenda Diggers Club on Friday 27<sup>th</sup> May 2022 at 5.30pm.

Yours Sincerely,

**On Behalf of the Board of Yenda Producers Co-operative**



**Nayce Dalton**  
**Chairperson**



**Peter Calabria**  
**Managing Director**

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