

Notice of Annual General Meeting

Rye & District Community Financial Services Limited **A.B.N. 67 095 766 895**

To be held at 6.30pm on Wednesday 27 November 2024
at Rosebud Country Club, 207 Boneo Road Rosebud 3939

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 2024.

2. Election of Directors

Election of Directors appointed since last Annual General Meeting:

(a) That **Josh Oppy** be elected as a Director of the Company

Re-election of Director retiring by rotation:

(b) That **Vincent Cheers** be re-elected as a Director of the Company

(c) That **Renee Bowker** be re-elected as a Director of the Company

Special Business

3. Adoption of new Company Constitution

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

*That the Constitution of Rye & District Community Financial Services Limited (**Company**) be replaced with the document titled "Constitution" tabled at the annual general meeting and signed by the chair of the meeting for the purposes of identification.*

Note: The Chairman intends to vote available proxies in favour of this resolution.

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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 members as at 5.00pm on Monday 25 November.

By order of the Board.



Sarah Marshall
Company Secretary
30 October 2024

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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 the Board.

- (a) **Josh Oppy** having been appointed by the Board since the last Annual General Meeting, retires in accordance with the Constitution of the Company, and being eligible, offers himself for election.

Josh is a lawyer who currently practices predominantly in the areas of property and commercial law. He also has experience advising clients in relation to various loan products and security agreements. Prior to practicing as a lawyer, Josh completed a Bachelor of Commerce and spent time volunteering on various sporting committees.

Josh grew up on the Mornington Peninsula attending local schools and has participated in various sporting activities on the Mornington Peninsula from a young age. Josh continues to play competitive sport locally and is looking forward to next pennant (golf) season.

Josh hopes that his understanding of the local community coupled with his professional experience can lead to positive change on the Mornington Peninsula.

- (b) **Vincent Cheers** retires by rotation in accordance with the Constitution of the Company, and being eligible, offers himself for re-election.
- (c) **Renee Bowker** retires by rotation in accordance with the Constitution of the Company, and being eligible, offers herself for re-election.

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Agenda Item 3: Adoption of new Company Constitution

Since the Company Constitution was adopted in 2006, there have been a number of developments in law, corporate governance principles and general corporate and commercial practice for public companies. The Board recommends that the existing Constitution be replaced to take these developments into account.

The proposed Constitution adopts the pro forma Constitution prepared by Bendigo and Adelaide Bank Limited for use by Community Bank companies, after it undertook a review in consultation with the Community Bank National Council. It has also been reviewed and approved by the Company's lawyers.

This resolution can only be passed as a Special Resolution, which means that the resolution must be passed by at least 75% of the votes cast by shareholders who are entitled to vote on the resolution.

A copy of the proposed Constitution is available at <https://www.bendigobank.com.au/branch/vic/community-bank-rye-district/> under the Company Noticeboard header. Also available in the same location is a marked up copy of the proposed Constitution to show the changes that are being proposed to the existing Constitution.

These documents may also be inspected at the Company's Registered Office during normal business hours or at the Annual General Meeting itself. Alternatively, upon request from a shareholder before the meeting, the Company Secretary will send a copy to you.

Please refer to the attached summary of the amendments that will be made to the existing Constitution if the proposed new Constitution is adopted.

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ATTACHMENT – SUMMARY OF PROPOSED CHANGES TO CONSTITUTION

The proposed changes to the Constitution can be summarised as follows:

1. Updates to formatting, minor edits and clarification of some definitions.
2. Changes to reflect suggested improvements based on current best practice
3. Changes to reflect changes in law, and
4. Specific changes to Rule 9

These items are discussed in more detail below:

1. Updates to formatting, minor edits and clarification of some definitions

The following are examples of the minor edits, clarifications that have been made:

- Inclusion of the full name of Adelaide in the Bendigo and Adelaide Bank Ltd
- Definition of a Business Day
- Definition of a Managing Director
- Formatting of long paragraphs into dot points
- Capitalisation of some words e.g. Rule
- Alignment of page numbering and clause cross referencing

Shareholders are directed to the links provided on the previous page for detailed changes in marked up version of the constitution.

2. Changes to reflect suggested improvements based on current best practice

Subject Matter	Reference in Marked up Version of Constitution	Comments
Non-recognition of equitable or other interests	Rule 8	The amendment to this Rule confirms that the Company is not bound to recognise a person as holding shares on any trust and to include a reference to contingent and future claims or interests.
Calls	Rule 14	The amendment to this Rule clarifies the power of the Board to accept monies unpaid from shareholders' shares as either a loan repayable or as a payment in

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		advance of calls. Interest can be paid at the Board's discretion.
Interest on the late payment of calls	Rule 15	Costs and expenses incurred by the Company in recovering the call are now claimable at the discretion of the Board.
Consequences of forfeiture	Rules 20-22	These are new Rules affecting the rights of shareholders who have forfeited their shares. The rights and privileges of being a shareholder are removed and if the Company owes the shareholder any monies, that debt can be off-set against any debt the shareholder owes the Company. The Company can also refuse to register any transfer of shares by the shareholder.
Notice of forfeiture	Rule 23	This amendment simplifies the Company's responsibility to notify the shareholder when a share has been forfeited.
Reissue of forfeited Shares	Rule 24	This amendment enables the Board to re-issue forfeited shares where previously only selling and 'otherwise disposing' was permitted.
Payments by the Company	Rule 27	The amendments clarify the Board's power to make payments in relation to holdings by shareholders. They stem from the inclusion of new paragraphs in Rules 20, 21 and 22. The changes remove superfluous and add necessary words for their affect.
Refusal to register	Rule 29	The decision of the Board not to register transfer of shares is clarified to be clearly final. Notice of the decision need not be given.

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General meetings	Rule 38	The amendment allows the Board to cancel or postpone a general meeting before the date on which the meeting is to be held, except where to do so would be contrary to the Corporations Act. The amendment also states that the Board may give notice of the cancellation or postponement but a failure to do so does not invalidate the cancellation or postponement or any resolution passed at a postponed meeting.
Voting on show of hands	Rule 44	States that, unless a poll is demanded, the Chair's declaration that a resolution has been passed or lost at a general meeting is conclusive, without proof of the number or proportion of the votes recorded for or against the resolution.
Proxies	Rule 50	This Rule has been extensively expanded to allow the Board to efficiently deal with incomplete or improperly completed proxy votes. The Board can attempt to obtain clarification of the vote but is not obliged to.
Number of directors	Rule 55	The amendment to this Rule reduces the maximum number of directors to 10 (reduced from 11) unless otherwise determined by general meeting.
Directors who are employees of the Company	Rule 65	The amendment to this Rule allows the Board to keep such people as directors when they cease to be employees of the Company until the next AGM rather than them losing that role on ceasing to be employed by the Company.
Board resolutions in writing	Rule 76	This Rule has been amended to make it easier for the Board to pass resolutions without a

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		meeting and to clarify the application of the Rule.
Personal liability of officers	Rule 82	Clarifies that the Board may, but is not obliged, to charge any assets of the Company in those circumstances.
Dividends – payment from reserves, determination or declaration, and distribution otherwise than in cash	Rule 84, 85, 87 and 91	<p>Rule 84 - The Board can now set aside reserve funds before paying a dividend.</p> <p>Rule 85 - This amendment allows the Board to now determine a dividend (in addition to just declare a dividend). It means the Board states the amount and manner of the dividend. Consequently, the old Rule 82 is deleted, and a new Rule 87 is inserted.</p> <p>Rule 87 – This substitution clarifies the mechanisms the Board has at its disposal for paying dividends and or reducing capital.</p> <p>Rule 91 – Previous Rule 85 (retention of dividends) is removed and 91 added to allow set-off between the Company and shareholders' debts (e.g. calls) in favour of the Company only.</p>
Indemnity of officers	Rule 100	<p>Rule 100(2) – confirms that any documentary indemnity cannot be inconsistent with Rule 100.</p> <p>Rule 100(4)(a)(i) – replaces the reference to executive officer with senior manager, which is a term defined in the Corporations Act.</p> <p>Rule 100(4)(c)(iv) – sets out limitations on the indemnity in favour of an employee who is not a director, secretary or</p>

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		senior manager of the Company.
Disposal of Restricted Securities	Rule 101	This rule is introduced into the Constitution to define the word “dispose” for purposes of Rule 102. This Rule will only apply if the Company is listed.

3. Changes to reflect changes in law

Subject Matter	Reference in Marked up Version of Constitution	Comments
Liens or Charges by the Company	Former Rules 23-25	References to the Company’s ability to take out a lien or charge over shares of a shareholder have been deleted throughout the constitution on the basis that these provisions may contravene section 259B of the Corporations Act (the provision which provides that a company must not take security over shares in itself or a company that it controls).
Winding Up of the Company	Former Rule 94 (now Rule 99)	The Rule has been simplified on the basis that a company and its members now generally rely on Section 501 of the Corporations Act, such that any surplus on a winding up will be distributed among the shareholders according to their rights and interests.

4. Specific changes to Rule 9

Subject Matter	Reference in Marked up Version of Constitution	Comments
Prohibited Shareholding Interest - Definition	Rule 9 (2A)	The amendments provide additional examples of ‘Close Connection’ to assist the Board in deciding whether a person has or has not a

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		Prohibited Shareholding interest (where a person does not have a 'close connection' to the community where the Company predominantly carries on business).
Prohibited Shareholding Interest – Change to Base Number	Rule 9 (2B)	<p>The pro forma Constitution prepared by Bendigo and Adelaide Bank Limited includes a new definition of Base Number based on a percentage of the number of shareholders in the Company immediately after the shares in the Company were allotted and issued under the first disclosure document issued by the Company. The pro forma included two options (75% and 90%) and the company is proposing to adopt 75% because it is an easier threshold to meet. A holding resulting in the number of shareholders being lower than the base number is a Prohibited Shareholding. Any transaction that has taken place that was prohibited under this clause will be ratified if the new Constitution is adopted.</p> <p>Rule 31 is inserted to help give effect to Rule 9.</p>