

# Notice of Annual General Meeting

**Sandringham Community Financial Services Ltd**  
**A.B.N. 099 131 192**

**To be held at 5.30pm on 2<sup>nd</sup> December 2021**  
**at the Community Bank Sandringham**  
**75 Station Street, Sandringham 3191**

## 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 2021.

### 2. Election of Directors

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

- (a) Under section 52 of the company's constitution, Ms Caitlin Eves, retires by rotation.  
Accordingly, being eligible, Ms Eves offers herself for re-election to the Board as Director of the Company.
- (b) Under section 52 of the company's constitution, Ms Amanda Smyth, retires by rotation.  
Accordingly, being eligible, Ms Smyth offers herself for re-election to the Board as Director of the Company.
- (c) Under section 52(2) of the company's constitution, Ms Hilda Lourdes was appointed during the year.  
Accordingly, being eligible, Ms Lourdes offers herself for election to the Board as Director of the Company.
- (d) Under section 52(2) of the company's constitution, Ms Marlene Snow was appointed during the year.  
Accordingly, being eligible, Ms Snow offers herself for election to the Board as Director of the Company.

## Special Resolution

### 3. Resolution - Amendments to the Constitution

To consider and, if thought fit, to pass the following resolution as a Special Resolution of the Company:

"That the Constitution be amended in the manner set out in the Explanatory Note accompanying the Notice of AGM, a copy of such amendments to be tabled and signed by the Chair at the Meeting for the purposes of identification. "

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

# Notice of Annual General Meeting

## 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 restrictions

Key management personnel of the Company (and any closely related party of any such member) are excluded from voting on all resolutions that are directly or indirectly related to the remuneration of key management personnel and will not be able to vote your proxy on item 3 unless you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him or her to vote by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business).

For the purposes of these voting restrictions:

- The 'key management personnel' for Sandringham Community Financial Services Ltd are those persons having authority and responsibility for planning, directing and controlling the activities of the company, either directly or indirectly, including any director (whether executive or otherwise) of that company.
- A 'closely related party' of a member of the key management personnel for Sandringham Community Financial Services Ltd includes a spouse or child, a child of the member's spouse, a dependent of the member or of the member's spouse, or anyone else who may be expected to influence the member (or be influenced by the member) in the member's dealings with the company.

## 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 29 November 2021.

By order of the Board

Marlene Snow  
Company Secretary  
20 October 2021

# 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 the Board.

- (a) Under section 52 of the company's constitution, Ms Caitlin Eves, retires by rotation.

Accordingly, being eligible, Ms Eves offers herself for re-election to the Board as Director of the Company.

- (b) Under section 52 of the company's constitution, Ms Amanda Smyth, retires by rotation.

Accordingly, being eligible, Ms Smyth offers herself for re-election to the Board as Director of the Company.

- (c) Under section 52(2) of the company's constitution, Ms Hilda Lourdes was appointed during the year.

Accordingly, being eligible, Ms Lourdes offers herself for election to the Board as Director of the Company.

Ms Lourdes joined the Board on 16 September 2021 is CFO with a Dairy Company and brings accounting and financial skills to the Board.

- (d) Under section 52(2) of the company's constitution, Ms Marlene Snow was appointed during the year.

Accordingly, being eligible, Ms Snow offers herself for election to the Board as Director of the Company.

Ms Snow joined the Board 16 September 2021 is a Relationship Manager with a large Financial Institution and brings business skills to the Board.

### Agenda item 3. Special Resolution - Amendments to the Constitution

#### Background

Since the Constitution was adopted in 2008, there have been a number of developments in law and Listing Rules, corporate governance principles and general corporate and commercial practice for public companies. The Board recommends that the Constitution be amended to take these developments into account.

A copy of the existing Constitution which has been marked up for the proposed amendments is available at [bendigobank.com.au/Sandringham](http://bendigobank.com.au/Sandringham) >> [Investors & Shareholders](#). A clean copy containing adoption of the amendments is also available [bendigobank.com.au/Sandringham](http://bendigobank.com.au/Sandringham) >> [Investors & Shareholders](#). Note that due to the removal of some Rules the numbering of Rules between these two documents differs slightly.

For this resolution to be passed as a Special Resolution, at least 75% of the votes cast by shareholders entitled to vote must be in favour of the Resolution, in accordance with the Corporations Act.

Independent legal opinion has been obtained and confirms that "by way of these changes, the Board's position is either clarified, tightened or simplified" with the Board's power being discretionary and not mandatory".

# Notice of Annual General Meeting

## Summary of proposed changes

A review of the Constitution has resulted in a number of amendments. These 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 Adelaide in the Bendigo and Adelaide Bank Ltd name,
- Definition of a Business Day
- Definition of a Managing Director
- Formatting of long paragraphs into dot points
- Capitalisation of some words eg Rule
- Alignment of page numbering and clause cross referencing

Shareholders are directed to the links provided above in 'Background' 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
<b>Calls</b>	Rule 14	The amendment clarifies the power of the Board to accept monies unpaid from shareholders shares as either a loan repayable or as a payment in advance of calls. Interest can be paid at the board's discretion.
<b>Interest on the late payment of calls</b>	Rule 15	Costs and expenses incurred by the bank in getting the call are now claimable at the discretion of the Board
<b>Consequences of forfeiture</b>	Rules 20-22	These are new paragraphs affecting the rights of shareholders who have forfeited their shares. The rights and privileges of being a shareholder are removed and if the bank owes the shareholder any monies, that debt can be off-set against any debt the shareholder owes the bank. The bank can also refuse to register any transfer of shares by the shareholder.

# Notice of Annual General Meeting

## 2. Changes to reflect suggested improvements based on current best practice (continued)

Subject Matter	Reference in Marked up Version of Constitution	Comments
<b>Notice of forfeiture</b>	Rule 23	this amendment simplifies the bank's responsibility to notify the shareholder when a share has been forfeited.
<b>Reissue of forfeited shares</b>	Rule 24	This amendment enables the Board to re-issue forfeited shares where previously only selling and 'otherwise disposing' was permitted.
<b>Payments by the company</b>	Rule 28	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.
<b>Refusal to register</b>	Rule 30	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.
<b>Voting on show of hands</b>	Rule 45	Clarifying that the Chair's power to call a vote is final and is not subject to a count being recorded. Previously this Rule was silent on this recording of votes.
<b>Proxies</b>	Rule 51	This paragraph 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.
<b>Directors who are employees of the bank</b>	Rule 66	Amendment to allow the Board to keep such people until the next AGM rather than them losing that role on ceasing to be employed by the bank.
<b>Resolution in writing</b>	Rule 77	Resolutions of the Board can now be valid without a meeting by being assented to in counterpart by various Directors.

# Notice of Annual General Meeting

## 2. Changes to reflect suggested improvements based on current best practice (continued)

Subject Matter	Reference in Marked up Version of Constitution	Comments
<b>Dividends – payment from reserves, determination or declaration, and distribution otherwise than in cash</b>	Rule 85, 86, 88 and 92	<p>Rule 85 - The Board can now set aside reserve funds before paying a dividend.</p> <p>Rule 86 - This amendment allows the Board to now determine as well as just previously declare a dividend. It means the Board states the amount and manner of the dividend. As a consequence, the old paragraph 82 is deleted and a new paragraph 88 is added.</p> <p>Rule 88 – This substitution clarifies the mechanisms the Board has at its disposal for paying dividends and or reducing capital.</p> <p>Rule 92 – previous Rule 85 (retention of dividends) removed and 92 added to allow set-off between the bank and shareholders’ debts (eg calls) in favour of the bank only.</p>

## 3. Changes to reflect changes in law

Subject Matter	Reference in Marked up Version of Constitution	Comments
<b>Liens or Charges</b>	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 s259B 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).
<b>Winding Up</b>	Former Rule 94 (now Rule 101)	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 members according to their rights and interests.

# Notice of Annual General Meeting

## 4. Specific changes to Rule 9

Subject Matter	Reference in Marked up Version of Constitution	Comments
<b>Prohibited Shareholding Interest - Definition</b>	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 Prohibited Shareholding interest ie where a person does not have a 'close connection' to the community where the Company predominantly carries on business.
<b>Prohibited Shareholding Interest – Change to Base Number</b>	Rule 9 (2B)	The Base Number means the number equal to 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 current constitution sets the percentage at 90% (of shareholders). The proposal is to change this to 75% therefore allowing a lower number of shareholders to hold shares issued in the Company. 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 is here by ratified by the members.