

Chairman's Agenda

Annual General Meeting 2015

1. Welcome and agenda

CHAIRMAN: Good afternoon ladies and gentlemen. My name is Graham Ludecke, the Chairman of Sandringham Community Financial Services Limited and it is my pleasure to welcome you to this Annual General Meeting of the Company.

Today's agenda is as follows.

First I will present my address then the Branch Manager will talk to you.

We will then take questions from shareholders.

This is the opportunity to ask us about anything, but if you have a question about the specific items on today's agenda, such as the accounts, please keep those questions for when those matters are before the meeting.

We will then move to the formal business.

The accounts will be presented and we will then consider the Remuneration Report and the Director elections.

Following this we will close the formal meeting.

We will then have refreshments where Directors and the Branch Manager will be available. Please ask them anything; give us your suggestions as the feedback is both welcome and valued.

2. Directors

CHAIRMAN: I would like to introduce to you your Board of Directors.

Michael Davies our Deputy Chairman

Glen Kruger

Felicity Thomlinson

Ian Siebert

Cindy O'Donoghue, who is also our Accountant and Company Secretary.

We also have Matthew Gallop our Manager,

Michelle McDonald our Regional Manager, from Bendigo Bank and

Ryan Kienhuis representing our Auditors, Richmond, Sinnott & Delahunty.

I must also mention our staff who are here this evening.

3. Quorum

CHAIRMAN: I confirm that a quorum is present and declare the Meeting open.

(Quorum: clause 3 – two shareholders)

4. Notice of Meeting

CHAIRMAN: The Notice of Meeting was made available to all shareholders and is taken as read.

5. Minutes of last Annual General Meeting

CHAIRMAN: The minutes of the last Annual General Meeting held on 27 November 2014, were approved by the Board and signed by the Chairman in accordance with the provisions of s251A of the Corporations Act.

A copy of the minutes is available for inspection should any shareholder wish to see them.

6. Addresses

I will now turn to my address.

Chairman's address

Those of you that were here last year will notice that Kate Robb is not amongst the Directors and that we have a new Accountant and Company Secretary Cindy O'Donoghue.

Reluctantly we accepted Kate's retirement from the Board with effect from the end of September. Kate was a valuable member of our Board and an enthusiastic member of the team in promoting the Sandringham Community bank. Kate will not be lost to us as she has agreed to be a non-Board member of our Audit Committee.

We welcome Cindy as our new Accountant and Company Secretary and will deal with her election to the Board later in the agenda.

Our financial result for the year to 30 June 2015 was most pleasing. In a low interest rate environment and increasing competition we were able to increase our net profit after tax from \$ 57,094 in 2014 to \$ 85,111 this year.

Our balance sheet remains strong with assets increasing from \$834,529 to \$925,901. Total equity also increased from \$750,816 to \$799,326.

We expect to see a similar result in the next year.

A fully franked dividend of 6 cents was paid, which is consistent with the dividend paid in previous years. Total funds returned to shareholders by return of capital and dividends now amounts to \$384,300 which is 63 cents per share and includes the 15 cents per share return of capital.

Our total business has increased from \$125.1 million to \$137.5 million. This increase in our business has been achieved by the good work of our Manager, Matthew Gallop and his staff. It is also a recognition of the standing Sandringham Community Bank now has in the community and the willingness of the community to conduct their banking business with us.

Total distributions to the community, by way of Sponsorships, Donations and Grants amounted to \$86,637. A full list of the beneficiaries are shown in the Annual Report. Total funds distributed to the community since establishment now amounts to \$820,039.

Matthew will mention a few noteworthy recipients of these funds in his address.

The Board remains diligent in their duties and I am grateful for the strong support they give to the Bank. During the year we reviewed our Risk Management policies and will be looking at updating our Strategic Plan in the next 12 months. In addition to the Board and Committee meetings the Directors assist Matthew in representing the Bank at many community events during the year.

I have already mentioned that Kate Robb has left the Board and we are grateful for the excellent service she gave to the Bank.

We are continually looking to renew the Board and believe that we need to have a controlled turnover to keep the ideas fresh and a good mix of skills and gender on the Board.

Matthew leads a great team at the Bank and they are renowned for the knowledgeable and friendly service they deliver.

We also acknowledge the good support we receive from our Regional Manager, Michelle McDonald and her team. We thank them for their ready assistance and guidance.

To you the Shareholders, thanks for your ongoing support and we trust that the results we have been able to achieve and the return of capital and dividends we have been able to pay are a good return for the investment you have made in the Bank.

Branch Manager's address

CHAIRMAN: I now invite Matthew Gallop our Branch Manager, to address the Meeting.

The Branch Manager delivers his or her prepared address.

CHAIRMAN: Before we move to the Annual Report, I invite shareholders to raise any questions they have about the company that have not already been dealt with as part of the addresses.

Are there any questions?

We now move to the matters for shareholder consideration.

Proxies

I advise that there are 14 valid proxies in favour of the Chairman and these will vote in favour of all the resolutions.

7. Annual Report

CHAIRMAN: The first item of business is the consideration of the company's Financial Report for the year ended 30 June 2015, Directors' Report and the Auditor's Report, which are now before the Meeting.

They are taken as received.

CHAIRMAN: The subject of the company's annual Financial Report is open for discussion.

Is there any discussion?

[Note: The Corporations Act requires that shareholders are given an opportunity to ask questions about the following:

- *The management of the company*
- *On the Audit, questions relevant to any of the following:*
 - o the conduct of the audit*
 - o the preparation and content of the Auditor's Report*
 - o the accounting policies adopted by the company in relation to the preparation of financial statements*
 - o the independence of the Auditor in relation to the conduct of the audit.*

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8. Election of Directors

CHAIRMAN: The next item of business is the election of Directors.

The first resolution concerns the election of Cindy O'Donoghue. Cindy, a Director appointed by the Board since the last Annual General Meeting, retires in accordance with the company's constitution and being eligible, offers herself for election.

(Chairman may offer Cindy an opportunity to speak to the Meeting)

Is there any discussion?

If no discussion, or after discussion

I now put the motion to the meeting.

All those in favour please raise their hand.

All those against please raise their hand.

I declare the resolution carried.

The next resolution concerns the re-election of Michael Davies. Michael, a Director retiring from office in accordance with the company's constitution and being eligible, offers himself for re-election.

(Chairman may offer Michael an opportunity to speak to the Meeting)

Is there any discussion?

If no discussion, or after discussion

I now put the motion to the meeting.

All those in favour please raise their hand.

All those against please raise their hand.

I declare the resolution carried.

- If the Chairman of the company is up for re-election, the Chairman should pass the chair to the Deputy Chairman.

CHAIRMAN: As the next item of business relates to my own re-election, I pass the chair to Michael Davies.

At this stage of the proceedings the Deputy Chairman is officially the chair of the Meeting.

The Chairman of the Meeting would then put the relevant motion to the Meeting, conduct the questioning and voting, and declare whether the motion is passed or lost.

The next resolution concerns the re-election of Graham Ludecke. Graham, a Director retiring from office in accordance with the company's constitution and being eligible, offers himself for re-election.

(Chairman may offer Graham an opportunity to speak to the Meeting).

Is there any discussion?

If no discussion, or after discussion

I now put the motion to the meeting.

All those in favour please raise their hand.

All those against please raise their hand.

I declare the resolution carried.

DEPUTY CHAIRMAN: I now invite Graham to resume the chair.

This officially transfers the chair back to the Chairman of the company.

9. Remuneration Report

CHAIRMAN: The next item of business is the adoption of the Remuneration Report.

The Remuneration Report is contained within the Annual Report, and sets out information on Directors payments and fees and the process for reviewing the Managers salary.

I will now provide an opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report.

Is there any discussion?

If no discussion, or after discussion

I now put the motion to adopt the Remuneration Report to the meeting.

All those in favour, please raise their hand.
All those against, please raise their hand

I declare the resolution carried

10. Close of Meeting

CHAIRMAN: That concludes the business of the Meeting.

Light refreshments will be available for shareholders immediately after this Meeting has closed.

I now close this Meeting and thank you for your attendance.

Poll procedure – election of Directors

- Directions by Chairman

CHAIRMAN: I now call that a poll be held.

The company's Auditor, (name), will conduct the poll as Returning Officer. I still retain the right to make all final decisions on who may vote, the votes cast, and the declaration of the results of the poll.

Whether a nominee is elected will in the first instance depend on whether at least 50% of the votes cast are in favour of the election of the nominee. In the second instance, if there still remain more nominees with at least 50% of the votes cast than positions vacant, whether the nominee is elected will be determined by the number of votes cast in favour of the nominee. As there are (insert number) vacancies, the (insert number) nominees with the most votes will be elected.

I ask the Company Secretary, (name), to announce the directions on my behalf in relation to the conduct of the poll:

- Directions by Company Secretary

COMPANY SECRETARY: Poll papers will now be distributed. Please note that a proxy is not revoked by the appointing shareholder attending and taking part in the meeting, unless the appointing shareholder actually votes at the meeting on the resolution for which the proxy is proposed to be used.

Once the poll papers have been distributed I will announce on behalf of the Chairman some directions as to how the poll papers should be completed.

After those present entitled to vote have the poll papers, the Company Secretary gives directions as to the poll.

With the exception of the Chairman, there is no requirement for a shareholder present, a corporate representative or proxy to vote on the poll.

If, however, a proxy chooses to vote on this poll, they must vote as directed in the Proxy Forms appointing them. If that does not occur, the votes will default to the Chairman who will vote the proxies as directed. The company has a record of those directions.

The poll paper must be completed in full. This is resolution (number) and you should write [number] on the poll paper where indicated. You must indicate your vote by placing an "X" in the appropriate box.

Lastly, you should sign the poll paper.

If there are any questions as to the directions given, please do not hesitate to ask and I will give further directions.

Would you now please complete the poll papers.

After completion of the papers:

Please remain seated and the Returning Officer will collect the completed poll papers from you.

- Closure of poll

After those present have had sufficient time to complete the poll papers and the Returning Officer has reported to the Chairman that apparently all who wish to vote in the poll have handed in their poll papers:

CHAIRMAN: I believe that those persons who wish to vote in the poll have now done so. If there is anyone present who has not yet had their completed poll paper collected from them by the Returning Officer, would you please raise your hand ...

If none, proceed ...

CHAIRMAN: I now declare the poll closed.

- To proceed with other business pending result of poll (optional)

CHAIRMAN: Ladies and gentlemen, while we wait for the Returning Officer to count the votes on the poll, I think it is appropriate that the meeting move on to the next item of notified business. When the Returning Officer has the result of the poll, I will report to you.

Turning now to the next item of notified business ...

- Poll result – declaration by Chairman

CHAIRMAN: The Returning Officer has made out his/her Report in respect of the poll on the following resolutions for the elections of Directors.

- The election of (nominee 1), and I declare the resolution carried/defeated.

There were (number) votes cast on the poll and (number %) were in favour of the resolution.

- The election of (nominee 2), and I declare the resolution carried/defeated.

There were (number) votes cast on the poll and (number %) were in favour of the resolution.

- The election of [nominee 3], and I declare the resolution carried/defeated.

There were (number) votes cast on the poll and (number %) were in favour of the resolution.