

Notice of Annual General Meeting

Canterbury Surrey Hills Community Finance Limited

A.B.N. 96 099 590 593

To be held at the Balwyn Evergreen Centre, 45 Talbot Avenue, Balwyn on Tuesday 15 November 2016
at 7:00pm

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 2016.

2. Election of Directors

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

Re-election of Director retiring by rotation

- (a) That **Hans Diederick Menting** be elected as a Director of the Company.
- (b) That **Robert Einar Stensholt** be elected as a Director of the Company.

Election of Director

- (c) That **Daizy Maan** be elected as a Director of the Company.
- (d) That **Andrew Graham Whittaker** be elected as a Director of the Company.

3. Remuneration Report

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

That the Remuneration Report be adopted.

4. Share Buy Back Program

To consider, and if thought fit, to pass a resolution approving the Share Buy-Back Program as set out in the Explanatory Notes.

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. In accordance with

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

In accordance with the Constitution of the Company, 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 **5:00pm on 08 November 2016.**

By order of the Board

Leanne Russell
Company Secretary
11 October 2016

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.

Re-election of Directors retiring by rotation

(a) **Hans Diederick Menting.** Dick is retiring by rotation in accordance with Clause 62 of the company's Constitution and offers himself for re-election.

Dick was the foundation Chairman of Canterbury Surrey Hills Community Finance Ltd and previous Chief Executive Officer. He is currently the Chairman of the Staff Committee and a member of the Finance Committee, Community Investment & Marketing Committee and Events Committee. Dick previously spent 35 years in banking, finance and administration. Dick retired as a Councillor for Boroondara City Council and continues to run a local small business. He is Chairman of the Inner East Region for Cricket Victoria.

The Board recommends this resolution be passed by the members.

(b) **Robert Einar Stensholt.** Bob is retiring by rotation in accordance with Clause 62 of the company's Constitution and offers himself for re-election.

Bob was a foundation Director of the company. He is currently the Deputy Chair of the Board and member of the Community Investment & Marketing Committee and Finance Committee. Bob has extensive community connections and contacts built over a career in areas including State politics, diplomatic postings and the education sector. Bob is now Chief of Staff to a Victorian Government minister.

The Board recommends this resolution be passed by the members.

Election of Directors

(c) **Daizy Maan.** Daizy was appointed in February 2016 by the Board in accordance with Clause 52(2) of the company's Constitution and offers herself for election.

Daizy is the Chairman of the Youth Advisory Committee and is a member of the Audit & Governance Committee. Daizy has considerable experience working with and for youth organisations and is working with Deakin University on its innovation and entrepreneurship program. She is involved in the Social Enterprise Collective and is a volunteer for various organisations, including the Boroondara Youth Foundation. Daizy was Boroondara Young Citizen of the Year in 2015.

The Board recommends this resolution be passed by the members.

(d) **Andrew Graham Whittaker.** Andrew was appointed in May 2016 by the Board in accordance with Clause 52(2) of the company's Constitution and offers himself for election.

Andrew is the Chairman of the Community Investment and Marketing Committee and member of the Finance Committee. Andrew has over forty years' experience in a variety of professional services and senior executive roles. He was formerly a partner with PwC and Ferrier Hodgson and has worked across a variety of industry sectors, including banking, providing performance improvement and governance advice.

The Board recommends this resolution be passed by the members.

Agenda item 3. Remuneration Report

The Corporations Act requires a resolution for the adoption of the Remuneration Report contained in the Company's Annual Report be put to the vote. The resolution is advisory only and does not bind the Directors of the Company.

Agenda Item 4. Share Buy-Back Program

As part of its ongoing review of the strategic needs of the Company, in 2015 the Board considered the capital structure and ongoing capital needs of the group. The Board considered:

- The low volume of buyers available when a shareholder wants to sell their shares;
- The low share price compared to the net asset backing of the shares;
- The limits place on the Company regarding shareholder distributions set out in the Franchise Agreement with Bendigo Bank; and
- The excess capital held and the restrictions placed on the Company under the Franchise Agreement to invest that capital in other risk ventures.

Notice of Annual General Meeting

The Board, then subsequently shareholders at the 2015 AGM, considered and approved a proposal to enter into a Share Buy-Back Program with the following limitations:

1. The Program would operate from 1 January 2016 to 31 December 2016. The Company would reserve the right to close the Program early at any time;
2. All shares would be purchased under the Program on the NSX market at the market price available from time to time.
3. The Company had appointed Strategem as its brokers for the purpose of acquiring these shares;
4. The Program would have no minimum number of shares that must be purchased. The Maximum number of shares that may be purchased pursuant to this Program is 300,000 shares or 9.72% of the shares on issue at the commencement date of the Program.

The Board has instructed the Finance Committee to:

- A. Monitor the Company's ability to buy shares under the program to ensure it does not breach the requirements of the Corporations Act; and
- B. Determine, in the absence of regular share trading in the shares of the Company, what offer price should be provided to the market in order to meet the objects of the Program.

The Board has considered and approved a proposal, subject to shareholder approval, to enter into a Share Buy-Back Program to operate from 1 January 2017 to 31 December 2017 with the same limitations as the Program operating in 2016 described above.

General Questions

To assist shareholders to make a decision on this proposal, the Company has provided the following questions and answers:

| | |
|--|---|
| Do I have to sell my shares? | No. Shareholders can choose to keep their shares or sell them on the market. |
| How can I sell my shares? | <p>If you want to sell your shares, you will need to appoint an NSX share broker to sell them on the market for you. Details of NSX brokers can be found at:</p> <p>http://www.nsx.com.au/investors/find_a_broker</p> <p>Once you have appointed a broker, they can guide you through the selling process, including how you will be paid.</p> |
| How many shares do I own? | <p>You should have certificates that show you how many shares you own. If you have any questions about your specific shareholding, such as how you can replace lost share certificates, you should contact our share registry at:</p> <p>RSD Chartered Accountants Ph 03 5445 4200</p> <p>http://www.rsdadvisors.com.au/our_services/community_bank_share_registry</p> |
| What happens to the shares after the Company purchases them? | Once the Company purchases shares under the Program, the shares must be cancelled. The Company cannot sell them back to the market again. (Section 257H) |
| If I sell shares, will I still get a dividend? | There is no guarantee the Company will pay dividends in the future. If it does, the shareholders that own shares at the "Record Date" for any dividend shall be entitled to that dividend. If you sell your shares before any Record Date, you will not be entitled to a dividend. |
| How will I know if the Company has purchased any shares? | <p>The Company is required to advise ASIC when it has cancelled any shares, and will also make a formal announcement on the NSX. Our NSX code is CSH.</p> <p>More details can be found at:</p> <p>http://www.nsx.com.au/marketdata/search_by_company?nsxcode=CSH</p> |
| Will the Company buy these shares all at once? | No. The Company does not intend to make it difficult for potential purchasers to acquire shares on the NSX. It may therefore acquire parcels of shares progressively throughout the duration of the Program. It may stop purchasing or cancel or suspend the Program at any time. |