

Notice of Extraordinary General Meeting

Doncaster East Community Financial Services Limited

ACN 101 174 270

To be held at Doncaster Senior Citizens Centre, corner of Doncaster Road and Dehnert Street, Doncaster East [opposite Jackson Court Shopping Centre]

on Wednesday 12 August 2009 at 7.00pm

Special Business

1. Adoption of Issue of new shares

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

"In order to comply with Rule 5 of the Listing Rules of the BSX, the proposal to issue not more than **700,000** shares in the Company by way of a Prospectus for the purpose of raising capital for the establishment of a second Community Bank® Branch at Templestowe, is hereby approved"

Explanatory Notes

This information has been included to assist you in making an informed decision about the resolutions proposed at the meeting.

The Company currently manages and operates a Community Bank® Branch at Doncaster East under a Franchise Agreement which commenced in **2002** and to finance all the establishment costs and provide working capital, **\$650,011** was raised under an initial Prospectus

After considering the results of a feasibility study which was commissioned by the Board and after undertaking a comprehensive review, the Board has decided that it is in the best interests of the Company to establish a second Community Bank® Branch. To meet this objective the Board has resolved that the Company raise additional capital by way of a Prospectus to enable the Company to fund the establishment costs and to meet the working capital requirements.

The Board has recognised that in the interests of fairness and equity that a bonus issue will be made to existing shareholders. To assist the Board in quantifying the bonus issue, an independent valuation of the business is being undertaken by AFS & Associates.

In addition to recognising the support and the risk taken by the initial shareholders, the main purpose of the bonus issue is to expand the current capital base and to endeavor to achieve parity between the existing shares and the shares to be issued under the new Prospectus.

The Directors recommend that the shareholders vote in favor of the resolution.

2. Change of Company Name

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

“That the name of the Company be changed to Manningham Community Enterprises Limited.”

Explanatory Notes

This information has been included to assist you in making an informed decision about this resolution.

The Board is of the view that the proposed name reflects the broader community to which the Company, through its Community Bank® Branches, will provide banking services. The name will also be representative of the community organisations to which the Company will give consideration in supporting as part of its role in assisting community organisations and community projects.

3: Adoption of New Constitution

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

“That the Constitution contained in the documents submitted to the meeting marked “A” and initialed by the Chairman for the purposes of identification be adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution”.

The Board has decided that the Company should adopt a new Constitution. The proposed new Constitution (**Proposed Constitution**) is based on the Company's existing constitution (**Existing Constitution**), though it has been updated and amended in certain key areas, as discussed in these Explanatory Notes.

A copy of the Proposed Constitution and the Existing Constitution may be inspected at the Company's Registered Office during normal business hours or at the Extraordinary General Meeting itself. Alternatively, upon request from a shareholder before the meeting, the Company Secretary will send a copy to you.

A discussion of the more significant changes to be effected by this Resolution is set out below.

Ownership Rules

As noted above, the Proposed Constitution expressly acknowledges the principal purposes of the Company. In addition, there is an express acknowledgement of the importance of broad community ownership of the Company and, accordingly, that the Board is authorised to exercise its powers and carry into effect the rules in the constitution to protect and enhance this broad community ownership.

In particular, the Existing Constitution contains a rule that, in general terms, prohibits a person from owning or controlling 10% or more of the Company. In the Proposed Constitution, this rule is maintained and also expanded. In particular, under the Proposed Constitution, there are two new ownership rules in Rule 9.

- First, persons with voting power in the Company (eg, shareholders) must have, in the opinion of the Board, a close connection to the community or communities in which the Company predominantly carries on its business. For example, individuals who reside in Doncaster or Templestowe and the adjoining areas, or a company with a registered office in these suburbs that is owned and controlled by such individuals, would ordinarily be considered to have this close connection. Existing shareholders are all deemed to have this connection, but this deeming rule will not apply to new shareholders.

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- Second, share transfers will not be permitted where, after the transfer, the number of shareholders in the Company would be less than the Base Number (being, 90% of the number of shareholders after the shares in the Company were allotted and issued under its first Prospectus or under any subsequent Prospectus to be issued by the Company in respect of the new offer of shares in the Company to assist with the establishment of the Second Community Bank® Branch at Templestowe (the **Base Number Restriction**). The current number of shareholders in the Company is approximately **272**.

To enforce the ownership rules in the Constitution, Directors have the power to require a divestment of shares where the rules are infringed. In addition, dividend and voting rights are suspended where the rules are infringed. While these rules impact on the freedom of shareholders to deal with their own shares, and so may impact adversely on the price of shares in the Company, these rules reflect the view that it is in the best interests of the Company and its business that there is broad local ownership of the Company.

Distribution for charitable purposes

In further recognition of the community nature of the Company, Rule 73(2) of the Proposed Constitution expressly authorises the Company to make payments, gifts or donations to charitable organisations or causes for the benefit of our community, having given due consideration to the rate of return to shareholders.

Changes in the context of BSX Listing

The Proposed Constitution includes amendments to facilitate compliance with the BSX Listing Rules. These amendments make it clear that as the Company is listed:

- a transfer of shares can be effected in accordance with the applicable transfer and settlement rules of the BSX and that, accordingly, the Company is authorised to do anything to participate in such a system (Rule 27);
- the Board's ability to refuse to register a transfer is restricted to certain limited situations (eg where expressly permitted to do under the BSX Listing Rules or where the Board does so to enforce the ownership rules discussed above) (Rules 28 and 28A);
- the transfer and settlement rules of the BSX Listing Rules take precedence in respect of the rules applying to transfers (Rules 29 and 31); and
- the BSX Listing Rules that apply to "restricted securities" (in general, these are securities that have been issued in exchange for an asset) are incorporated into the constitution (in particular, an escrow period may apply during which the securities cannot be transferred) (Rule 96).

Shareholders should note that the Base Number Restriction will not operate if the Company lists on BSX. The Base Number Restriction only operates if BSX confirms that the rule is appropriate and equitable. BSX has advised that it does not consider that the rule is appropriate and equitable for a listed company.

Probity checks for directors

Given the nature of the business carried on by the Company, and the community nature of the Company, it is important that the Company is able to take all reasonable steps to satisfy itself of the integrity of its Directors. As part of this process, it has been decided that existing and prospective Directors should

undergo reasonable probity checks as a condition of their appointment as Directors. This is set out in Rules 62 (6A), (6B) and (6C) of the Proposed Constitution.

Those rules require that a person nominated for appointment as a Director will need to undergo a probity check (primarily, a national criminal record check) in accordance with the Board's procedures. Existing Directors will need to undergo such a check within six months and all Directors can be required to undergo a further check every 12 months.

Miscellaneous changes

The Proposed Constitution also contains a range of other minor changes to reflect changes in law and in practice. For example:

- the Proposed Constitution has been updated to allow shareholders to lodge a proxy at a specified electronic address where a notice of meeting provides for electronic lodgement.
- the Proposed Constitution expressly allows the Board to serve notices on shareholders in any way permitted by the Corporations Act (for example, the Corporations Act sets out a procedure for notifying a shareholder electronically that notices of meeting can be accessed electronically, where a shareholder has provided an electronic address for this purpose).