

# Notice of Annual General Meeting

**Mandurah Community Financial Services Limited**  
**ABN 56 098 081 308**

**To be held at 9.30 am on Thursday 24th November 2011**  
**at the Halls Head Sporting & Recreation Club, Lot 31 Sticks Boulevard, Mandurah WA**

## Ordinary Business

### 1. Chairman's Report

The Chairman, Mr David Waddell will present his report on the operations of the Company for the year ended 30th June 2011

### 2. Adoption of Accounts

To receive and consider the financial statements and reports to the shareholders comprising:

- a) The profit and loss accounts for the year ended 30th June 2011 and balance sheet of the Company as at 30th June 2011.
- b) The Directors' declaration and report by Auditors for the financial year ended 30th June 2011.
- c) The Directors' report for the financial year ended 30th June 2011.

### 3. Election of Directors

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

#### **Re-election of Director appointed since last Annual General Meeting**

- (a) That **Graeme Wheildon** be elected as a Director of the Company
- (b) That **Richard Percy** be elected as a Director of the Company

#### **Re-election of Director retiring by rotation**

- (a) That **David Waddell** be elected as a Director of the Company.

### 4. Appointment of Auditor

To consider, and if thought fit, pass the following resolution as an ordinary resolution.

That the appointment of **Tutu Phong of RSM Bird Cameron Partners**, as Auditor of the Company be approved.

### 5. Adoption of new Constitution

To consider, and if thought fit, pass the following resolution as a Special resolution.

That the Constitution contained in the document submitted to the meeting marked 'A' and initialled 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 of the Company.

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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 shareholders as at 5.00pm 22nd November 2011.

By order of the Board  
**Ian Ilsley**  
**Company Secretary**  
Dated 24th October 2011

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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 3. Election of Directors

The following information is provided about candidates for election to the Board.

### Re-election of Director appointed since last Annual General Meeting

- (a) **Graeme Wheildon**, having been appointed by the Board since the last Annual General Meeting, retires in accordance with Rule 52 (2) of the Constitution of the Company, and being eligible, offers herself for election.
- (b) **Richard Percy**, having been appointed by the Board since the last Annual General Meeting, retires in accordance with Rule 52 (2) of the Constitution of the Company, and being eligible, offers herself for election.

### Re-election of Director retiring by rotation

- (a) **David Waddell**, retires by rotation in accordance with Rule 62 (1) of the Constitution of the Company, and being eligible, offers himself for re-election.

## Agenda Item 4. Appointment of Auditor

Item 4 is an ordinary resolution to seek your approval for the appointment of **Tutu Phong of RSM Bird Cameron Partners** as the Company's Auditor.

The Board has received **Tutu Phong's** consent to act and written notice of **Tutu Phong's** nomination as Auditor from a shareholder.

The appointment of **Tutu Phong** requires approval of shareholders under the Corporations Act.

## Agenda Item 5. Amendment to 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.

The Proposed Constitution expressly acknowledges that the principal purpose of the Company is to enter into, and carry into effect, the franchise arrangements with Bendigo Bank Limited ("Bendigo Bank") under the Community Bank@ project, as well as any other arrangements with the Bendigo Bank group which Bendigo Bank may permit. The Board is expressly given the power to carry out this purpose and maintain and develop the relationship with Bendigo Bank. This, of course, acts as a limit on the activities of the Company, but reflects the purpose for which the Company was established.

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 Annual General Meeting itself. Alternatively, upon request from a shareholder before the meeting, the Company Secretary will send a copy to you. (Phone Ian Ilsley 9535 5900 or e-mail [ian.ilsley.wip@westnet.com.au](mailto:ian.ilsley.wip@westnet.com.au)).

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 purpose 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 which, 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.

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Firstly, persons with voting power in the Company (e.g. 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 the City of Mandurah and adjoining suburbs, or a company with a registered office in those suburbs which 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.

Secondly, 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 share in the Company were allotted and issued under the Disclosure). The current number of shareholders in the Company is 441.

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.

Shareholders should note that the Base Number Restriction will only operate if the Bendigo Stock Exchange ("BSX") confirms that the rule is appropriate and equitable. Shareholders will be updated on any developments arising from discussions with the BSX. If the BSX does not confirm that the rule is appropriate and equitable, the Base Number Restriction will be of no effect and can be ignored.

## Changes to facilitate BSX Listing

The Proposed Constitution includes a number of amendments intended to facilitate the Company's listing on the BSX or another Australian stock exchange, or which are required to ensure compliance with the BSX Listing Rules if at any time the Company should consider listing on a stock exchange.

## 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.

## Resubmission of Item

This proposal was previously voted on at the last AGM as an ordinary resolution when because of the nature of the changes proposed it should have been listed for consideration by the meeting as special resolution in order to comply with the requirements of the Corporations Act.

# Proxy form

**Mandurah Community Financial Services Limited**  
A.B.N. 56 098 081 305

All correspondence to:  
**Mandurah Community Financial Services Ltd**  
**PO Box 555**  
**Mandurah WA 6210**  
Enquiries (08) 9535 5900  
Facsimile (08) 9581 1096

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

## Appointment of proxy

I/We being a shareholder/s of **Mandurah Community Financial Services Limited** and entitled to attend the vote appoint the person named below or, if no person is named below, the Chairman of the Meeting as my/our proxy to vote in accordance with directions set out below (with a discretion as to any business not referred to below) or, if no directions are given, as my/our proxy sees fit, at the Annual General Meeting of the Company to be held at the **Halls Head Bowling Club Thursday 24<sup>th</sup> November 2011 at 9.30 am** and at any adjournment of that Meeting.

The Chairman of  
the Meeting  
(mark with an 'X')

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

## Voting directions to your proxy

Please mark with 'X' to indicate your directions

Ordinary Business	Accept	Decline	Abstain*
Item 1. Receipt of Chairman's Report			
Item 2. Adoption of Accounts			
Item 3. Election of Officers (a) Re-election of David Waddell (b) Re-election of Graeme Wheildon (c) Re-election of Richard Percy			
Item 4. Appointment of Auditor			
Item 5. Adoption of New Constitution			

\*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in working out the required majority on a poll.

## PLEASE SIGN HERE

This section **MUST** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and  
Sole Company Secretary

Director

Director/Company Secretary

**Mandurah Community Financial Services Limited**  
A.B.N. 56 098 081 305  
Registered Office – 55c Mandurah Terrace, MANDURAH WA 6210

# Proxy form

## How to complete this Proxy form

### 1. Your name and address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. **Please note, you cannot change ownership of your shares using this form.**

### 2. Appointment of a proxy

A shareholder entitled to attend and vote at the Meeting may appoint one proxy. A proxy need not be a shareholder of the Company. A proxy may be an individual or a Company.

### 3. Identity of proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, the Chairman of the Meeting will act as your proxy.

### 4. Voting instructions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 5. Signing instructions

The Proxy form must be signed in the spaces provided.

#### *Individual*

If the holding is in one name, the holder must sign.

#### *Joint holding*

If the holding is in more than one name, any one holder may sign.

#### *Power of Attorney*

To sign under power of attorney, you must have already lodged this document with the Company or attach a certified copy of the Power of Attorney to this form when you return it.

#### *Companies*

If the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (under section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the Company is to attend the meeting, the appropriate 'Certificate of Appointment of Corporate Representative' must be produced before admission to the Meeting.

## How to complete this Proxy form

This Proxy Form (and any Power of Attorney under which it is signed) must be received by the Company not later than **2 business days** before the Meeting i.e. **by 5.00pm, 22th November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged in any of the following ways:

#### *Post or hand delivery*

To the Company's registered office at **55c Mandurah Terrace, Mandurah WA 6210 (PO Box 555 Mandurah WA 6210)**  
Place in Ballot Box located in the **Halls Head Community Bank Branch, Bendigo Bank.**

#### *Facsimile*

To fax number **(08) 9581 1096**