



Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM) of members of Community Mutual Ltd (trading as **Regional Australia Bank**) will be held at:

Regional Australia Bank Head Office,
Technology Park, Madgwick Drive,
Armidale NSW 2350.

on

**Wednesday, 29 November 2017 at
5.00pm (Meeting)**

The Explanatory Notes to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Notes and Proxy Form together form part of this notice of meeting.

*Regional Australia Bank is a trading name of Community Mutual Ltd
ACN 087 650 360 : AFSL & Australian Credit Licence 241167*

Items of Business

1. Financial Report

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2017.

2. Change of Company Name

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

"That, for the purposes of sections 157(1) and 136(2) of the Corporations Act 2001 (Cth) (Corporations Act) and all other purposes, the Company name be changed from Community Mutual Ltd to Regional Australia Bank Ltd".

3. Constitutional Amendments

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

"That the Constitution of Community Mutual Ltd (trading as Regional Australia Bank) be amended, in a manner summarised in the Explanatory Notes, by deleting the words that are struck out and adding the words underlined in the marked up copy of the Constitution tabled at the meeting and signed by the Chairman for the purposes of identification (Proposed Amended Constitution)".

4. Re-election of Director

To consider and, if thought fit, approve the following separate ordinary resolution.

"That Mr Geoff Thompson, who retires by rotation in accordance with the Constitution of Community Mutual Ltd (trading as Regional Australia Bank) and who is eligible for election, be re-elected as a Director".

By Order of the Board



David Munday
Company Secretary

25 August 2017

Appointment of Proxies

You can appoint a proxy to attend and vote at the meeting on your behalf. Your proxy does not have to be a member of Community Mutual Ltd (trading as Regional Australia Bank). An Appointment of Proxy form is enclosed with this Notice. It includes instructions on how to vote using a proxy. Please read these instructions carefully. To be valid, your Appointment of Proxy form must reach Regional Australia Bank no later than 48 hours before the start of the Annual General Meeting.

Explanatory Notes

Item 1 Financial Report

The *Corporations Act 2001* (Cth) ("Corporations Act") requires the reports of the directors and auditors; and the annual financial report, including the financial statements of Community Mutual Ltd (trading as Regional Australia Bank) for the year ended 30 June 2017, to be laid before the Annual General Meeting.

There is no requirement for a formal resolution on this agenda item.

Members can view a digital copy of the Annual report from www.regionalaustaliabank.com.au. The Annual Report, including the full financial report and the auditor's report, will be tabled at the Annual General Meeting.

There will be opportunity to ask questions or raise comments on the management of Community Mutual Ltd (trading as Regional Australia Bank) and to ask questions relevant to the conduct of the audit, the preparation and content of the auditor's report, and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Annual General Meeting, written questions to the external auditor (KPMG) about the content of the auditor's report or the conduct of the audit of the annual financial report to be considered at the Annual General Meeting must be submitted not less than five business days before the Annual General Meeting to:

The Company Secretary
Regional Australia Bank
PO Box U631, University of New England
Armidale, NSW, 2351
Email: companysecretary@regionalaustaliabank.com.au

Copies of any questions received will be made available at the Annual General Meeting. The Chairman of the Annual General Meeting will allow the auditor to answer written questions submitted to the auditor before the Annual General Meeting.

Item 2 Change of Company Name

(Note: This Item is a Special Resolution. To be passed, the resolution under this item requires the approval of at least 75% of the votes cast by members at the meeting, in person or by proxy.)

From August 2016 Community Mutual Ltd entered a new phase of its business by using a new brand and trading name. Regional Australia Bank became the trading name which has been very successful in better reflecting the banks identity and the product and services on offer.

The Board believes in order to finalise the alignment of the branding, changing the name of the Company from Community Mutual Ltd to Regional Australia Bank Ltd is necessary and will allow for less confusion in the market place. Regional Australia Bank Ltd will be the name used on all corporate documents and payment instruments and will create a consistency of branding across the organisation.

Section 157(1) of the Corporations Act provides that a company may change its name if the company passes a special resolution. If this special resolution is approved by members, the proposed name change of the Company will be lodged with the Australian Securities and Investments Commission (ASIC). However, with approval from ASIC, the name change will not become effective until a date to be determined by the Board to ensure that all Company documentation can be changed in a timely and cost effective manner.

The Board recommends that members vote in favour of this special resolution.

Item 3 Constitutional Amendments

(Note: This Item is a Special Resolution. To be passed, the resolution under this item requires the approval of at least 75% of the votes cast by members at the meeting, in person or by proxy.)

The Board are seeking to make a number of changes to the Constitution of Community Mutual Ltd (trading as Regional Australia Bank) which are designed to modernise the way Regional Australia Bank provides banking services so that it can adapt to the challenges of the digital banking environment. In suggesting these changes the Board has focused on maintaining the principles of mutuality as outlined by the Australian Securities and Investments Commission's (ASIC) policy as expressed in Regulatory Guide financial Institutions (RG 147), regarding matters relevant to a mutual structure.

Many of the proposed changes are administrative or relatively minor in nature. The proposed amendments to the Constitution are described as follows:

Preamble

Change of Company name from Community Mutual Ltd to Regional Australia Bank Ltd.

Constitution

Removal of Banking Legislation and Corporations Act commentary reference boxes throughout the entire Constitution.

Division 1 – Introductory Matters

1.1. Definitions

Insert definitions for the words **Corporations Act**, **direct vote** and **Electronic Transactions Act**. Amend the definition for the word **subscription price**.

1.5. Notices

Replace Rule 1.5(3) with the following:

- (a) Subject to any other provision of the Constitution to the contrary, a person sending a notice must do so in writing and must address it to the recipient at the following respective addresses:
 - (i) if to the **company** — at its registered office or such other address as the **company** specifies to **members** from time-to-time; and
 - (ii) if to a **member** — in any manner permitted by the **Electronic Transactions Act**.

In Rule 1.5(4) delete the table titled "Sending the notice by facsimile transmission"

Division 2 – Objects and Limit on Powers

2.1 Objects

Delete this Rule and renumber the following Rule.

Division 3 – Membership

3.1 Admission to Membership

Replace Rule 3.1(1)(c) with the following:

- (c) the subscription price for the member share is paid.

Delete Rule 3.1(1)(d).

Division 5 – Issue of Shares

5.3 Restrictions on Issue of Membership Shares

Replace Rule 5.3(3)(a) with the following:

- (a) on the basis that the *subscription price* is paid.

Delete Rule 5.3(3)(b).

Division 11 – Holding General Meetings

11.1 Calling Meetings of Members

Replace Rule 11.1 with the following:

The **board** may call a **general meeting**.

Members may call a **general meeting** in ways provided for in the *Corporations Act*.

11.2 Adjourning Meetings of Members

Replace **members'** meeting with **general meeting** throughout.

11.3 Proceedings at General Meetings

Replace Rule 11.3 with the following:

- (1) The quorum for a **general meeting** is 15 **members** present in person and / or by a **direct vote** mechanism.
- (2) Replace **members'** meeting with **general meeting** throughout.
- (3) The chair of **general meetings** is:
 - (i) the chair of meetings of the **board**; or
 - (ii) if the chair of meetings of the **board** is not present or declines to act for the meeting (or part of it) then another director of the **board** will act as chair.

If the chair or another member of meetings of the **board** is not available within 30 minutes of the appointed start of the meeting, or declines to act, the **members** must elect an individual present to chair the meeting.

- (4) The Conduct of General Meetings in Appendix 2 apply to the conduct of debate at **general meetings**.

Division 12 – Voting at General Meetings

12.1 Voting

Replace Rule 12.1 with the following:

- (1) A resolution put to the vote at a **general meeting** must be decided on a show of hands unless a poll is demanded.
- (2) Before a **general meeting** poll is taken, the chair must inform the meeting:
 - (a) how many proxy documents the **company** had received that validly appointed a person present at the meeting as proxy;
 - (b) how many of these proxy documents direct the proxies how to vote on the resolution;

- (c) how the proxies were directed to vote on the resolution (which is limited to resolutions notified in the Notice of Meeting); and
 - (d) if the **board** has determined that **members** can vote by **direct vote** (which is limited to resolutions notified in the Notice of Meeting) – the number of valid **direct votes** cast:
 - (i) on the resolution in total;
 - (ii) in favour of the resolution;
 - (iii) against the resolution; and
 - (iv) abstaining from voting.
- (3) A **member** will not be eligible to vote by **direct vote** where the resolution relates to an item under Appendix 4;
 - (4) The **general meeting** passes an ordinary resolution only if more than half the total number of votes cast on the resolution are in favour of it.

12.3 Voting on a Poll

Replace **members'** meeting with **general meeting** throughout.

12.4 Direct Voting

Insert a new Rule 12.4 as follows:

- (1) The **board** may determine that **members** may cast votes to which they are entitled on any or all of the resolutions (including any special resolutions) proposed to be considered, and outlined in the notice of meeting, at a **general meeting** of members, by **direct vote**.
- (2) If the **board** determines that votes may be cast by **direct vote**, the board may develop such procedures as they consider appropriate for the casting of **direct vote**, including procedures for:
 - (a) the form, method, timing and manner of voting by **direct vote**; and
 - (b) the time by which the votes of members to be cast by **direct vote** must be received by the **company** in order for the **direct vote** to be effective. This time must be no later than the time appointed for the commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting**.
- (3) A valid **direct vote** cast by a **member** has the same effect as if the **member** had cast the vote in person at the meeting.
- (4) Receipt of a **direct vote** from a **member** has the effect of revoking the appointment of a proxy, attorney or representative made by the **member** under an instrument received by the **company** before the **direct vote** was received.
- (5) A **direct vote** received by the company may be withdrawn by the **member** by notice, given to the **company** in writing or in electronic form, before the time appointed for commencement of the **general meeting** or, in the case of an adjournment, the resumption of the **general meeting**.

12.5 Body Corporate Representatives

Replace **members'** meeting with **general meeting** throughout.

12.6 Proxies

Replace Rule 12.6(1) with the following:

- (1) An appointment of a proxy is not invalid merely because it does not contain all the information required for a valid proxy appointment, so long as it contains:
 - (a) the **member's** name, address and signature;
 - (b) the company's name;
 - (c) the proxy's name or the name of the office held by the proxy; and
 - (d) the meeting(s) at which the appointment may be used.

12.7 Objections

Replace **members'** meeting with **general meeting** throughout.

Division 13 – Directors – Appointment and Vacation of Office

13.1 Numbers of Directors

Amend Rule 13.1 with the following:

The **company** must have a minimum number of 5 **directors**, or such greater number as the **board** may determine from time to time.

13.2 Eligibility to be a Director

Amend Rule 13.2(1)(c) to read:

- (c) is not, or has not been, disqualified by law from being or acting as a **director**.

13.3 Appointment by Members

Insert a new Rule 13.3(2) to read:

- (2) Subject to the **Corporations Act** the **company** may at any time, by resolution passed in **general meeting**, remove any **director** from office.

13.5 Term of Office

Insert a new Rule 13.5(1) to read:

- (1) This rule only applies to **directors** who are elected by **members**.

Division 15 – Directors' Meetings

15.5 Circulating Resolutions

Amend Rule 15.5 with the following:

- (1) A resolution in writing signed by all **directors**, or a resolution in writing of which notice has been given to all **directors** and which is signed by a majority of the **directors** entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the **board**), is a valid resolution of the **board**. The resolution may consist of several documents in the same form each signed by one or more of the **directors**.
- (2) For the purposes of rule 15.5(1) a reference to "all **directors**" does not include a reference to:
 - (a) a **director** who, at a meeting of **directors**, would not be entitled to vote on the resolution;
 - (b) a **director** who disqualifies himself or herself from considering the resolution in question; and

- (c) any **director** on leave of absence approved by the **board**.
- (3) For the purposes of rule 15.5(1):
 - (a) a message sent electronically by a **director** to an agreed electronic address stating that they are in favour of a specified resolution shall be taken to be a document containing that statement and duly signed by the **director**. Such document shall be taken to have been signed by the **director** at the time of its receipt at the agreed electronic address and / or at the time they signify consent of a specified resolution via a software application on an electronic device; and
 - (b) a **director** may consent to a resolution by telephoning the **secretary** and signifying assent to the resolution and clearly identifying its terms.
- (4) A resolution in writing under this Rule shall be deemed to have been passed at a meeting of the **directors** held on the day and at the time at which the document was last signed or consented to by a **director** and the document shall be deemed to constitute a minute of that meeting and shall be recorded by the **secretary**.

Division 17 – Remuneration, Indemnity and Insurance

17.2 Travelling Expenses and Insurance

Replace **members'** meeting with **general meeting** throughout.

Appendix 1 – Objects

Delete Appendix 1 and rename the following Appendices.

Appendix 1 – Shares

Division 1 – Member Shares

A1-1 Subscription Price

Amend Rule A1-1 with the following:

The **subscription price** for a **member share** after 29 November 2017 is \$1.00

A1-3 Voting Rights

Amend Rule A1-3 with the following:

- (1) Holders of **member shares**, (other than a **member** who is a minor) may participate and vote:
 - (a) at a **general meeting**;
- (2) At a **general meeting** or a meeting of the class of holders of **member shares** whether on a poll or a show of hands:
 - (a) each holder of **member shares** (other than a **member** who is a minor) regardless of the number of shares held has 1 vote;
 - (b) a **member** who is a minor (under the age of 18) has no vote.

A1-6 Payment for Member Shares by Minors

Amend Rule A1-6 with the following:

- (1) This clause applies to a **member** who is a minor and who became a **member** prior to 29 November 2017 and was admitted to membership on payment of 20% of the then applicable subscription price for the **member share**.
- (2) While the **member** remains a minor, except when the **company** is being wound up, the **company** must not:

Appendix 2 – Conduct of General Meeting

A2-1 Conduct of the General Meeting

Amend Rule A2-1 with the following:

The chair of a *general meeting*:

- (1) must ensure that the **general meeting** is properly convened and constituted and that a quorum is present;
- (2) has ultimate control of the general conduct of the meeting;
- (3) may, subject to the **Corporations Act** and this Constitution:
 - (a) determine that the adoption of any procedure of the meeting which is, in the chair's opinion, necessary for proper and orderly debate or discussion and the proper and orderly casting and / or recording of votes at the meeting; and.
 - (b) conduct and finalise discussion or debate on any matter whenever the chair considers it necessary for the proper conduct of the meeting,
with any decision by the chair made under the general meeting deemed to be final.

Delete Rule A3-2, A3-3, A3-4, and A3-5.

Appendix 3 – Election of Directors

Ballot at AGM

A3-2 Nominations

Amend Rule A3-2(1) with the following:

- (1) Subject to any other provisions of the Constitution to the contrary, the **board** must give *members* a notice calling for **members** to nominate *candidates* not less than 56 days before the AGM. The **board** may give this notice, in addition to the methods allowed in Subrule 1.5 by advertisement:
 - (a) at the *company's* offices;
 - (b) in newspapers;
 - (c) on the *company's* website; or.
 - (d) electronic communication of the notice (or of the existence of the notice) in any media, including but not limited to, electronic communication.

A3-4 Appointment of Returning Officers

Amend Rule A3-4(1) with the following:

- (1) The **board** must appoint a returning officer, who may appoint assistant returning officers, none of whom can be a **director** or a **candidate** as a **director**.

A3-11 Direct Votes

Insert a new Rule A3-11 to read:

- (1) The **board** may determine:
 - (a) that **members** entitled to vote in the election may cast a vote in the election by **direct vote**; and
 - (b) the form, method and timing of giving a **direct vote** in order for the vote to be valid and formal in the election.
- (2) If the **board** allows **direct votes** in the election:
 - (a) the order in which the **candidates** appear on the **direct voting** instrument must be the same as the ballot papers;
 - (b) the **board** must have procedures in place to prevent a **member** voting more than once in the election;
 - (c) the **board** must ensure the anonymity of the voter; and
 - (d) the **board** must determine the role of scrutineers in relation to the **direct votes**.
- (3) If a member cast a **direct vote** in the election the **member** is not entitled to vote in the ballot at the AGM, whether in person or by proxy.
- (4) A valid and formal **direct vote** cast by a **member** has the same effect as if the **member** has cast a valid and formal ballot paper in the election at the AGM.
- (5) The returning officer must destroy any submitted direct voting instrument, or records of submitted **direct votes**, in relation to the election three months after the declaration of the ballot.

Appendix 5 –Director Nominations Committee

A5-1 Appointment of Director Nominations Committee

Amend Rule A5-1(1) with the following:

- (1) The **Director Nominations Committee** will comprise the members of the boards Corporate Governance Committee and up to two (2) appropriately qualified independent persons appointed by the Board who are not a director or officer of the **company**. These independent persons must have relevant qualifications and / or experience to undertake this role.

The Board recommends that members vote in favour of this special resolution.

Item 4 Re-election of Director

Currently, the Board of Community Mutual Ltd (trading as Regional Australia Bank) has a total of six (6) directors. It has been determined by the Board that the number of directors will remain at six (6) for the current financial year.

Pursuant to the constitution, Mr Geoff Thompson, as a current Director, is due to retire by rotation. Therefore, there is one (1) vacant Director position, with Mr Thomson, offering himself for re-election.

Nominations were called to fill the one (1) vacant position. There was one (1) candidate who nominated in accordance with Rule 13.2 of the Constitution.

The Board Director Nominations Committee, which included one appropriately qualified independent person, determined that there was one (1) fit and proper candidate against the Board's desired skills mix.

As there is one (1) candidate meeting the desired skills mix, the election process is discontinued and members will vote on the re-appointment of Geoff Thompson.

The profile of the Director Nominations Committee successful candidate is as follows:

Mr Geoff Thompson

As a practising Chartered Accountant operating in Regional Australia Geoff brings a unique blend of financial, business knowledge and experience to the board.

Geoff has many years experience advising successful businesses to grow and prosper whilst at the same time overseeing their financial affairs. He has completed the company directors' course and takes a keen interest in keeping up to date on the latest issues affecting business. Geoff has a good understanding of the regulatory environment in which Regional Australia bank operates as well as the changing needs of members. He is currently chair of the banks Audit Committee.

Geoff is committed to ensuring regional Australia continues to prosper and his commitment is evidenced by the roles he undertakes both in business and the community.

Appointment of Proxies

A form of proxy for use at the Annual General Meeting is available with this Notice of Annual General Meeting. A member submitting a proxy may appoint one proxy as the member is only entitled to one vote.

A proxy need not be a member. A proxy may be an individual or a body corporate. A member may appoint the Chair as a proxy by marking the appropriate box provided or an alternative person by inserting the full name of the desired person in the blank space provided.

A proxy will not be valid for the Annual General Meeting unless it is signed by the member or the member's attorney duly authorised in writing or, if the member is a corporation, executed by a duly authorised officer or officers in accordance with the instructions on the enclosed form of proxy.

The proxy must be completed in accordance with the instructions on the form and lodged no later than 48 hours before the start of the Annual General Meeting.

Further Information

Copies of the Community Mutual Ltd (trading as Regional Australia Bank) 2017 Annual Report and the 2017 Notice of Annual General Meeting, the Proposed Amended Constitution and Proxy Form are available at www.regionalaustaliabank.com.au.