



Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM) of Regional Australia Bank Ltd will be held at:

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

on

**Thursday, 28 November 2019 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.

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 2019.

2. Constitutional Amendments

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

"That the Constitution of Regional Australia Bank Ltd 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)".

By Order of the Board



David Munday
Company Secretary

30 August 2019

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 Regional Australia Bank Ltd. 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 Regional Australia Bank Ltd for the year ended 30 June 2019, 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 at 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 Regional Australia Bank Ltd 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 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 Regional Australia Bank Ltd 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 – Principles of Mutuality – Customers Must be Members

Amend Principle 3 with the following:

3. The company may accept deposits from, or grant financial accommodation to:
 - (a) another ADI; or
 - (b) any person or class of persons as determined by the board in its absolute discretion.

Division 1 – Introductory Matters

1.1. Definitions

Insert a definition for the words **Banking Act**.

1.2. Interpretation

Amend Subrule 1.2(1)(c) to read:

- (1) In this Constitution, unless the context requires otherwise:
 - (c) words and expressions defined in the *Corporations Act* or the *Banking Act* have the same meaning in this Constitution;

Division 2 – Object & Limit on Powers

Amend Rule 2.1 with the following:

2.1 Customers Must be Members

- (1) Subject to Subrule 2.1(2), the **company** may only accept **deposits** from, or provide **financial accommodation** to, its **members**.
- (2) Subrule 2.1(1) does not apply to the following persons who are not **members**:
 - (a) bodies that do not have the power to acquire, or that the law prohibits from acquiring, the **company's** shares; or
 - (b) **ADIs**; or
 - (c) any person or class of persons as determined by the **board** in its absolute discretion.

Division 13 – Directors – Appointment & Vacation of Office

Amend Rule 13.2 with the following:

13.2 Eligibility to be a Director

- (1) An individual is eligible to be a **director** if the person:
 - (a) is a **member**;
 - (b) has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity; and
 - (c) is not, or has not been, disqualified by law from being or acting as a **director**; and .
 - (d) is registered as an "accountable person" under the *Banking Act*.
- (2) A person is not eligible to be appointed **director** under Rule 13.3 if:
 - (a) the person has not been a **member** for at least 12 continuous months as at the date nominations close in accordance with Appendix 3; or
 - (b) if the **Director Nominations Committee** has determined that the person does not have the appropriate fitness and propriety to be and act as a **director**, by reference to the **board's** Fit and Proper Policy.

Amend Rule 13.5 with the following:

13.5 Term of Office

- (1) This rule only applies to **directors** who are elected by **members**.
- (2) Subject to the *Corporations Act* and the rotation provisions in this Rule, a **director's** term of office:
 - (a) starts either:
 - (i) at the end of the AGM at which the **director's** election is announced but only if the person is registered as an "accountable person" under the *Banking Act* at the time of the announcement; or
 - (ii) on the date, no later than 30 days after the AGM, when the person becomes registered as an "accountable person" under the *Banking Act* however, if registration is not obtained within that period the person is treated as never having been appointed as a **director** and it is taken that the announcement was never made and that a casual vacancy exists for that position to be dealt with under Rule 13.4;
and
 - (b) ends at the end of the third AGM after the AGM at which the **director's** election is announced.

Appendix 3 – Election of Directors

Amend Rule A3-2(3) with the following:

A3-2 Nominations

- (3) 2 **members** together have the right to nominate a **candidate**. To nominate a **candidate**, the 2 **members** must give the company a notice of nomination before nominations close. The notice of nomination must:
 - (a) declare that, subject to being registered as an "accountable person" under the *Banking Act*, the **candidate** is eligible to be a **director** under Rule 13.2(1);
 - (b) declare that the **candidate** is at least 18; and
 - (c) be signed by the nominating **members** and the **candidate**.

Insert new Rule A3-2(6):

A3-2 Nominations

- (6) If on the date that nominations close and that **candidate** has not been a **member** continuously for a period of at least 12 months, that **candidate** immediately ceases to be a **candidate**.

Amend Rule A3-9(1) with the following:

A3-9 Procedures After Close of Ballot

- (1)(c) sign a declaration of the ballot as to the:
 - (i) names of the **candidates** who, subject to Rules 13.2 and 13.5 and being or becoming registered as an "accountable person" under the *Banking Act* are appointed as **directors**;

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 Regional Australia Bank Ltd 2019 Annual Report and the 2019 Notice of Annual General Meeting and Proxy Form are available at www.regionalaustaliabank.com.au.