

SERVICE ONE®

Notice and Meeting Papers of the 21st Annual General Meeting of SERVICE ONE Mutual Limited

SERVICE ONE® is a registered trade mark of
SERVICE ONE Mutual Limited ACN 095 848 598.

NOTICE is hereby given that the 21st Annual General Meeting (AGM) of SERVICE ONE Mutual Limited (the Company) will be held on Wednesday 17 November 2021 via video conference at 6pm. Members must pre-register on the SERVICE ONE AGM website at www.serviceone.com.au/about-us-news-and-media-latest-news-2021-agm-notice-and-director-elections-update between 1 November 2021 and 1pm on Wednesday 17 November, and instructions will be provided at that website for how you can access the videoconference. You will need an internet connection to participate.

The business of the meeting is as follows:

Ordinary business

1. Apologies.
2. Chair's Report.
3. To receive and consider the Company's annual Financial Report, Directors' Report and Auditor's Report.
4. To consider and, if thought fit, pass the following ordinary resolution:

'That the proposal by the Board of SERVICE ONE Mutual Limited, in accordance with Rule 13.3(2) of the Constitution, to determine a limit of six (6) on the total number of Directors appointed by the Members is approved.'

Refer to the Explanatory Statement on page 2.

5. To consider and, if thought fit, pass the following ordinary resolutions (Appointment of Directors):
 - a. that Roslyn Hughes be appointed as a Director of SERVICE ONE Mutual Limited
 - b. that Ayesha Razzaq be appointed as a Director of SERVICE ONE Mutual Limited

Refer to the Explanatory Statement on page 2.

Special business

6. The special business of the meeting will be to consider and, if thought fit, pass the following resolutions as special resolution:
 - a. that the Company's Constitution be amended in the manner set out in Annexure A to the Notice of the Annual General Meeting.

Refer to the Explanatory Statement on page 2.

There is no other special business.

Members entitled to attend and vote at this meeting of the Company are entitled to appoint a Proxy to vote on their behalf. A Proxy need not be a Member of the Company.

Members who wish to receive personal notice of the meeting and/or obtain the business papers and appointment of Proxy forms in relation to the meeting can do so by calling (02) 6215 7142.

By order of the Board.

Matthew Smith
SECRETARY

AGENDA ITEM 4 (ORDINARY RESOLUTION) – BOARD LIMIT

Explanatory Statement

The Board of SERVICE ONE Mutual Limited (the Company), in accordance with Rule 13.3(2) of the Constitution proposes to determine a limit of six (6) on the total number of Directors appointed by the Members (the Limit).

The *Corporations Act 2001* prohibits the Directors determining the Limit, unless a resolution (the Board Limit resolution) approving the proposal to determine the Limit has been passed by a general meeting of the Company.

Under the Constitution the maximum number of Directors that can be appointed by the Members is nine (9) and therefore to comply with the *Corporations Act 2001* the Members are asked to consider and pass the resolution approving the Board Limit.

If the Board Limit resolution is passed, the Limit will continue until immediately before the start of the AGM held in 2022.

Members should note that in addition to the Directors appointed by the Members, the Constitution gives the Directors power to appoint one (1) Director. The Limit will not affect the Directors' power to appoint a Director.

The Board's reasons for proposing the Board Limit resolution are:

- Previous Board Limit resolutions recommending a Limit of six (6) Directors were against the backdrop of SERVICE ONE either being an Authorised Deposit-taking Institution (ADI) or in the midst of the transition to the Alliance Bank model.
- There have been times over the period 2001 – 2006 that the number of Directors has been nine (9) or ten (10). This largely occurred for two reasons – impacts of amalgamations, and through periods of transition as the Board appointed new Directors in anticipation of the retirement of others.
- While the previous Limit has been higher, the Board has been of the view for a number of years that a Limit of six (6) for the immediate future will be sufficient to allow for full and detailed discussions at Board meetings with adequate Director participation to ensure that the correct and preferable decisions are being made in the interests of SERVICE ONE, and its Members, as a whole.
- Six (6) Directors will be sufficient to allow the Board to adequately fill positions on the Board's governance and oversight Committees, which have been consolidated and reconfigured as a consequence of the relinquishment of SERVICE ONE's ADI Licence in 2015.
- The period over which the Board will likely only have six (6) Directors is not considered to raise any particular concerns in relation to future succession planning where Directors are required to retire or vacate office under the tenure provisions of the Constitution. In addition, the Board may use its power to appoint a Director as part of succession planning when a Director is approaching the maximum term of office or is required to vacate office due to the maximum term of office limit.

AGENDA ITEM 5 (ORDINARY RESOLUTIONS) – APPOINTMENT OF DIRECTORS

Explanatory Statement

Two positions of Directors became vacant as a consequence of the retirement provisions in Clause 13.6 of the Company's Constitution. Two nominations were received – Roslyn Hughes and Ayesha Razzaq, therefore no election is necessary.

Nevertheless, in such circumstances, Clause A5-3(2) of the Company's Constitution requires ordinary resolutions of Members to pass to appoint these candidates as Directors.

The Director Nominations Committee has assessed these candidates and considers that each satisfies the Company's 'Fit and Proper' requirements.

Explanatory notes to proposed amendments

Purpose

The Company is seeking the approval of Members to amend the Constitution of the Company.

To assist Members in forming their views on the proposed amendments, the objectives of the proposed amendments are explained below.

Preamble

The Board proposes to amend the Preamble to allow the Mutual to provide products and services to non-Members.

The Board believes the proposed amendments will improve the Company by opening the Company's products and services to customers that are not members. For example, a customer of Bendigo Bank who is not a member of the Company will be able to use the Company's products and services.

The amendments to the Constitution are required to achieve this outcome or are a consequence of the amendment to the Preamble:

1. **Rule 1.1** is amended to include a new definition of customer.
2. **Rule 2.2** is amended to permit the Mutual to provide products or services to members and customers.
3. **Subrule 4.2(2)** is amended because it will not be necessary for a customer to be a member.

Dividends

The Board also proposes to allow the Company to declare dividends in respect to Member Shares limited to 20% of the net profit earned by the Company in that year.

The following amendments are proposed by the Board to achieve this outcome:

1. **Rule 7.1** is replaced with a rule allowing the payment of dividends on member shares provided the total dividend declared does not exceed 20% of the net profit earned by the mutual that year.
2. **Rule 7.2** is amended to give the Board the discretion to determine the amount of a dividend, the time for payment of a dividend and the manner of payment of a dividend to members.
3. **Appendix A3-5** is amended to enable the company to pay members a dividend in equal proportion to the number of member shares held by a members.

General matters

The Board proposes the following amendments to the constitution to benefit the general operation and management of the Company:

1. **Subrule 1.5(3)(b)** is amended to allow the mutual to communicate with members via email.

The Directors unanimously recommend that Members approve the proposed amendments to the Constitution and vote in favour of the special resolution at the meeting.

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Annexure A Notice of Annual General Meeting of SERVICE ONE Mutual Limited 17 November 2021

SERVICE ONE Alliance Bank ABN 11 068 049 178

AMENDMENTS TO CONSTITUTION

The following amendments to the Constitution are all proposed by the Board, and are to be voted on as a single special resolution.

1. Preamble – Principles of Mutuality – Amend Principles 1 and 2.

The Principles of Mutuality are amended by substituting Principle 1 with the following Principle:

- 1 A **mutual** may provide products and services to a person who is not a member.

The Principles of Mutuality are amended by substituting Principle 2 with the word: "Spare".

2. Definitions - Amend Rule 1.1 by adding the following defined term

That the Constitution is amended by adding the following defined term in Rule 1.1 after the definition of 'board':

customer means a person who is not a **member** and receives **primary products** or **services**.

3. Amend Subrule 1.5(3)(b)

That the Constitution is amended by adding to the end of Subrule 1.5 (3)(b) the following:

, provided that, where a **member** has provided an electronic address to the **mutual**, notices sent by the **mutual** under this Constitution may be sent by electronic means to the **member's** last known electronic address wherever the law permits.

4. Amend Rule 2.2

That the Constitution is amended by substituting Rule 2.2 with the following rule:

2.2 Members and customers

The **mutual** may provide product or services to its **members** and **customers**.

5. Amend Subrule 4.2(1)

That the Constitution is amended by substituting Subrule 4.2(1) with the following rule:

4.2 Members Request for Termination

- (1) A **member** may, by written request in a form the **mutual** requires, request termination of membership.

6. Amend Subrule 4.2(2)

That the Constitution is amended by deleting the following sentence from Subrule 4.2(2):

'However, the **mutual** may defer redeeming the **member's member share** until the **board** is satisfied that the **member** obtains no products or services from the mutual.'

7. Amend Rule 7.1

That the Constitution is amended by substituting Rule 7.1 with the following Rule:

7.1 Declaration of dividend

The **board** may declare a dividend in respect to the issued **member's shares**, provided that the total dividend declared for a year does not exceed the amount equal to 20% of the net profit earned by the **mutual** in that year.

8. Insert Rule 7.2

That the Constitution is amended by adding a new Rule 7.2 as follows:

7.2 Payment of Dividends

The **board** may determine that the **mutual** pay a dividend on **member shares** and may determine, in a manner consistent with the Principles of Mutuality, the amount of the dividend, and:

- (1) the time for payment of the dividend; and
- (2) the manner of payment of the dividend.

9. Amend Appendix 3 – Shares

That the Constitution is amended by substituting Subrule A3-5 with the following:

A3-5 Dividend Entitlements

The entitlement of a holder of any member share to a dividend is equal with the entitlement of each other holder of a member share.

10. Amend the Table of Contents

That the Constitution's table of contents is amended to reflect the amendments described in Item 8 above.

EXPLANATORY NOTES TO PROPOSED AMENDMENTS

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1. **Subrule 1.5(3)(b)** is amended to allow the mutual to communicate with members via email.

The Directors unanimously recommend that Members approve the proposed amendments to the Constitution and vote in favour of the special resolution at the meeting.

SERVICE ONE MUTUAL LIMITED

ACN 095 848 598

APPOINTMENT OF PROXY (please complete both sides of the Proxy form)

YOUR VOTE IS IMPORTANT

You can appoint a Proxy to vote on your behalf at the AGM of Members to be conducted online [using the video platform Zoom] on **Wednesday 17 November 2021 at 6.00pm** by completing and signing this form. This form only applies to this AGM. For your appointment to be effective the Appointment of Proxy must reach the Company's registered office by 6.00pm Monday 15 November 2021.

Please read all instructions carefully before completing this Appointment of Proxy form.

A. WHO DO YOU WANT TO APPOINT AS YOUR PROXY?

If you want the Chair of the AGM to be your Proxy, mark the box opposite. The Chair has been instructed by the Board to vote **in favour** of all resolutions.

If you appoint the Chair as your Proxy and direct the Chair how to vote, the Chair must vote on a poll and must vote in the way you direct.

I appoint the Chair of the AGM as my Proxy.

PLEASE MARK HERE

OR

If you want to appoint someone else to be your Proxy, print their name and address in the space opposite.

Please note that if your Proxy does not attend the meeting, your vote will not be counted. Therefore, if you appoint someone other than the Chair of the AGM, you should make sure that they will attend the meeting.

I appoint as my Proxy:

.....
Name

.....
Address

.....
.....

B. HOW DO YOU WANT YOUR PROXY TO VOTE?

You can direct your Proxy how to exercise your vote at the AGM by completing the directions below. If you do not direct the Proxy on how to vote on a resolution the Proxy can exercise your vote at the Proxy's discretion.

Direction

| Ordinary business | | <i>(place a mark in the appropriate box below)</i> | | |
|--------------------------------------|-------------------------------------|--|----------------------------------|----------------------------------|
| Ordinary resolution (agenda item 4) | Board limit resolution | <input type="checkbox"/> In favour | <input type="checkbox"/> Against | <input type="checkbox"/> Abstain |
| Ordinary resolution (agenda item 5a) | Appoint Roslyn Hughes as a Director | <input type="checkbox"/> In favour | <input type="checkbox"/> Against | <input type="checkbox"/> Abstain |
| Ordinary resolution (agenda item 5b) | Appoint Ayesha Razzaq as a Director | <input type="checkbox"/> In favour | <input type="checkbox"/> Against | <input type="checkbox"/> Abstain |
| Special business | | | | |
| Special resolution (agenda item 6) | Constitution amendments | <input type="checkbox"/> In favour | <input type="checkbox"/> Against | <input type="checkbox"/> Abstain |

Note: If you mark the Abstain box, you are directing your Proxy not to vote and your vote will not be counted when calculating whether the required majority of Members has passed the resolution.

C. YOUR DETAILS AND SIGNATURE

Members who are NOT bodies corporate

.....
Member number

For your Appointment of Proxy to be valid, **you must sign** below and print your name and address.

.....
Signature (or your Attorney's signature)

.....
Date

.....
Print name

.....
.....
.....
Member's address

If you have appointed someone else as your Attorney, your Attorney can sign this Appointment of Proxy on your behalf.

If you are a joint Member, only the first named Member on the Register can sign. You are the first named Member if the notice of meeting sent with this form was addressed to you.

Members that are bodies corporate

.....
Member number

For the Appointment of Proxy to be valid, the name, ACN/ABN, and the address of the registered office of the body corporate must be printed. A body corporate Member must sign this Appointment of Proxy form in accordance with its Constitution.

.....
Body corporate name

.....
Signature of Director*/Sole Director/ Secretary*/
Authorised person

.....
Signature of Second Director*/Secretary*/
Authorised person
(*Delete whichever is not applicable)

.....
ACN/ABN

.....
.....
.....
Address of Registered Office

.....
Date

D. WHAT DO I DO NEXT?

Once you have completed this Appointment of Proxy you may give it to the Company by:

- hand delivering it to 75 Denison Street, DEAKIN ACT 2600 (registered office)
- posting it to the Company at Locked Bag 1, DEAKIN ACT 2600, or
- faxing it to the Company on fax number (02) 6215 7171.

This completed form must reach the Company by 6:00pm Monday 15 November 2021.

If your Attorney signed this form, you must also send us the original or a certified copy of the Power of Attorney. If an authorised person signed this form for a body corporate Member, the original or a certified copy of the authorisation must also be sent to the Company.