

SERVICE ONE®

BOARD – COMMITTEE POLICY

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TABLE OF AMENDMENTS

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1.0	25 March 2010	New Policy	Board
2.0	27 October 2010	Securitisation Review	Board
3.0	26 April 2012	Annual Review	Board
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5.0	26 June 2014	Annual Review	Board
6.0	14 September 2015	CEO minor amendments	CEO
6.1	19 October 2015	CEO amendments due to Constitutional amendments	CEO
7.0	14 December 2016	Annual review	Board
8.0	12 December 2017	Annual Review	Board
9.0	6 March 2018	Minor Amendments to Policy approvals	Board
10.0	28 February 2019	Annual Review	Board
11.0	30 June 2020	Annual Review	Board
12.0	29 June 2021	Annual Review	Board
13.0	18 April 2023	Review for creation of Bendigo Community Bank structure	Board
14.0	27 February 2024	Annual Review	Board

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1 INTRODUCTION

1.1 Document Purpose

The effective operation of the Boards, and Board Committees, in the **SERVICE ONE Group**, is integral to the successful achievement of the **SERVICE ONE Group's** corporate and strategic objectives. This Policy outlines the structural elements applying to **SERVICE ONE Group** Boards and the standing and ad-hoc Committees established to assist the relevant Board to discharge its supervisory and oversight responsibilities.

1.2 Policy Objective

Part 1 of this Policy deals with the establishment and operation of the Board Committee structure for **SERVICE ONE Group** companies. As well as the general provisions that apply to **SERVICE ONE Group** Boards.

Part 2 deals with specific Terms of Reference, individual operational requirements and reporting for the established standing and ad-hoc committees.

1.3 Committee Approval

The board approved this policy on 27 February 2024

1.4 Effective Date

The effective date of this Policy is 27 February 2024

1.5 Review

April 2025.

1.6 Nomenclature

The definition of terms in **BOLD**, other than the section headings, are contained in the Glossary.

Glossary of Terms

Bendigo and Adelaide Bank (Bendigo)	Bendigo and Adelaide Bank Limited ABN 11 068 049 178
Bendigo Community Bank Branches	A Community Bank Branch permitted to be operated by SOFS under the Franchise Agreement with Bendigo
Franchise Agreement	Community Bank Franchise Agreement between SOFS and Bendigo and its associated documents and agreements
Group or Group entities	Either, or both, SERVICE ONE Mutual or Service One Financial Services, as the case requires
SERVICE ONE Group	SERVICE ONE Mutual and its subsidiary companies
SERVICE ONE Mutual (SOM – SERVICE ONE)	SERVICE ONE Mutual Limited ABN 42 095 848 598
Service One Financial Services (SOFS)	The wholly owned subsidiary Service One Financial Services Propriety Limited ACN 662 398 272
Social Enterprise	Investments undertaken by SERVICE ONE Mutual as part of its social enterprise activities
Strategic Plan	The Strategic Plan approved by the Board for SERVICE ONE Group company

2 PART 1 - POLICY

2.1 Board - Committees

The Committee structure will have a series of Standing Board Committees and ad-hoc Board Committees under each of the Boards of entities within the **SERVICE ONE Group**. Each Committee will be made up of elected directors of the relevant company (i.e. not the Managing Director of **SOFS** who is appointed by the Board), save for the Director Nominations Committee and the Board and Management Remuneration Committee which will be structured as set out in the Committee's specific Terms of Reference.

2.2 General Committee requirements

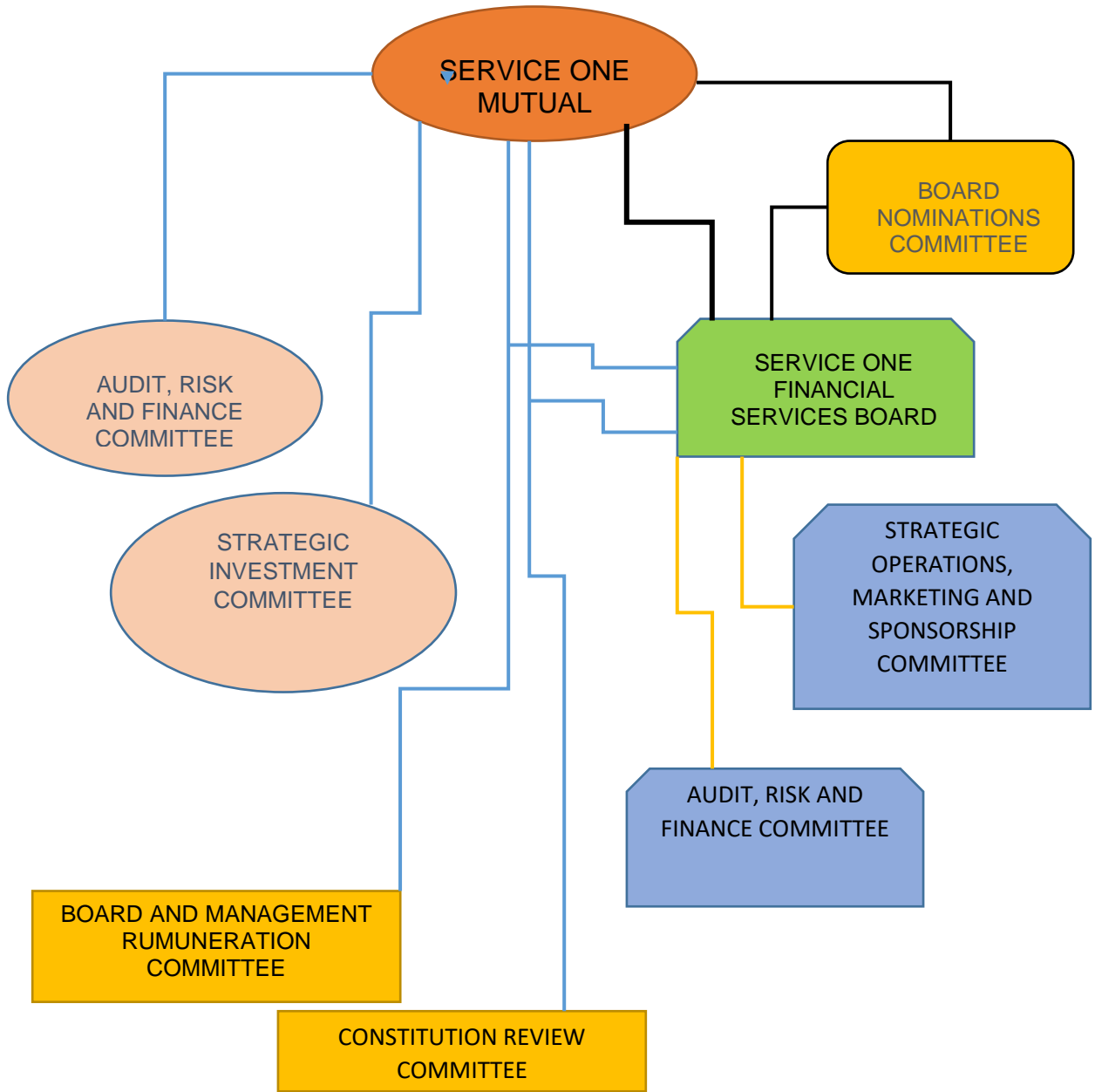
Board Committees will be comprised of non-executive directors of the relevant **Group** company. However, the Director Nominations Committee and the Board and Management Remuneration Committee, will have non-directors appointed as detailed in each Committee's Terms of Reference.

Appointments to Committees will be reviewed by the relevant Board of a **Group** company at the first Board meeting after its Annual General Meeting. The Board determining the membership of a Committee will determine who will chair the meetings of the Committee and the basis, if any, of that appointment. Board Committees will be comprised by 3 members, unless the establishing Board specifically determines otherwise.

Audit, Finance and Risk Committees must have one member who has formal accounting qualifications and experience.

A director is entitled to attend, but not vote at, any Committee meeting of a **Group** company of which they are a director, except meetings of the Director Nominations Committee and the Board and Management Remuneration Committee.

2.3 Board and Committee Structure



3 BOARD ARRANGEMENTS

3.1 Committee Authority

A Committee only has the powers delegated to it by its establishing Board, or specifically granted in its Terms of Reference. A Committee has sufficient powers to undertake its duties as outlined in its Terms of Reference, or otherwise as specifically granted by the relevant Board.

Directors, in the furtherance of their duties on a **Group** company Board, or as a member of a Committee, have free and unfettered access to senior management, internal and external auditors, and necessary external advisors of the relevant **Group** company. Board Committees can, with the approval of the establishing Board's Chairperson, seek the assistance and advice of external advisors in the furtherance of its duties.

Each Committee will operate within any budget approved by its establishing Board for its purposes.

3.2 Meeting arrangements, reporting and review

Where meetings of a **Group** Board, or a Board Committee, happen when all participants are not present in person, participation by use of telephone or other technology must be approved by all directors of the relevant body. A director's consent can be a standing one, but can be withdrawn on giving reasonable notice.

Quorums for Board meetings are set out in the Constitutions of **Group** companies. **SERVICE ONE's** is not less than half the number of directors. **SOFS** is two directors unless the Board determines another number. Quorums for Committee meetings will be any two directors, unless a higher number is determined in the Committee's Terms of Reference.

A **Group** company Board will set its meeting schedule at its first meeting after its Annual General Meeting. It will also set the meeting frequency for Committees that directly report to it, or it forms as an ad-hoc Committee to provide it with advice. However, the Board Nominations Committee and the Board and Management Remuneration Committee will have their meeting schedules determined by the Board of **SERVICE ONE**.

Meeting schedules of standing Committees will apply until immediately after the next Annual General Meeting of the relevant company. Meeting schedules for ad-hoc committees apply until the Committee's current term is discontinued.

The Chairperson of a Board or a Committee must call a meeting when requested to do so by any member of that Board or that Committee. The meeting must be held as expeditiously as possible.

Each year Boards, and Committees (except ad-hoc committees), will approve a meeting planner setting out the standing items of business, reports and policy reviews to be considered throughout the year.

All Board Committees (except ad-hoc committees unless request to do so by the Board) will prepare, and provide to its establishing Board, a yearly assessment of its performance, including any recommendations for improvements or changes in its functions. Committee Chairpersons will regularly report to its establishing Board on the outcomes of Committee meetings.

Members of standing Committees can meet more frequently than the determined frequency as the Committee determines. Once established, ah-hoc committees can meet as required to fulfil its Terms of Reference. An ad-hoc Committee's current term is discontinued as determined by the establishing Board.

3.3 Outside Attendance

It is a matter for a Board, or Committee, to determine the attendance of, and the basis on which they attend, any person who is not a member of the Board or Committee. However, an Audit, Finance and Risk Committee must meet at least once each year with the appointed external auditor for the relevant **Group** company.

Attendance at **SERVICE ONE**, or a **SOFS**, Board, or Board Committees, meetings by persons who are not employees of a **SERVICE ONE Group** company, or is not a lawyer, auditor, or professional advisor for a **SERVICE ONE Group** company, require the obtaining of a deed related to the confidentiality of any **Bendigo** information that might be discussed or obtained. This is a responsibility of the Secretary of the relevant **Group** company.

3.4 Committee support

The Secretary of a **Group** company will provide secretariat support for their relevant Board and Board Committees at the direction of the respective Chairperson of the company.

This will include the timely preparation of minutes of the Board, and Committee's, deliberations. The minutes must be tabled and approved at the next meeting of the Board, or Committee. An ad-hoc Committee can approve its minutes out of session.

Any disagreement about the contents of minutes of a meeting will be resolved in the normal manner for deliberations of the relevant body.

3.5 Board and committee meeting procedure

These rules will apply to all meetings of **Group** Boards and Committees. To assist in the efficient operation of a Board or Committee the following rules apply:

- Any discussion of matters of substance in the minutes of a previous meeting must be by way of a formal resolution which is seconded. (i.e. the issue lapses if there is no seconder);
- Without limiting the right of Directors to ask questions of management, discussion of any matter at a meeting should be by way of a resolution or amendment to a resolution;
- Discussion of any resolution will follow the normal rules of debate. Speakers are limited to five minutes, except with the approval of the Board or Committee;
- Any director may at any time draw attention to the fact that there is no resolution before the meeting and request that a motion be moved (and seconded) or that discussion cease. Such a procedural resolution does not require a seconder and takes precedence over any other; and

- The procedural rules for Board meetings apply to the meetings of Board Committees unless specifically varied by a Committee. Such variations are to be minuted by the Committee.

4 REMUNERATION, EXPENSES AND TRAINING

4.1 Board and Management Remuneration

Members/Shareholders of **SERVICE ONE Group** companies approve the aggregate amount of their respective Boards' remuneration at the company's Annual General Meeting. The amount approved is inclusive of superannuation and FBT obligations.

A Board, in recommending the aggregate amount, will seek the advice of the Board and Management Remuneration Committee for the company. A Board will also determine the relative amounts of the aggregate amount that is paid to each director. In doing so a Board will consider the following matters:

- The director's individual performance assessments and compliance with Board policy and resolutions;
- A base level of remuneration for directors with no committee positions;
- A loading on the base level to reflect work undertaken on committees;
- The need to acknowledge any additional work undertaken by individual directors; and
- An additional amount to reflect the work done by the Chairperson of the Board.

The amount determined through the above process can be amended at a Board's discretion to reflect any specific or general absences by an individual director.

A director will be paid on a monthly basis on the first staff pay day for the month. The structures supporting the determination of senior management remuneration are an important aspect of the cultural setting for the **SERVICE ONE Group**. The Board of **SERVICE ONE** has therefore determined that the following principles will apply to the setting of remuneration outcomes for the following senior executive staff:

- The Chief Executive and Managing Director;
- Any member of staff who has a significant proportion of their remuneration determined on the basis of performance outcomes related to the achievements of specific targets of a financial or non-financial basis that could affect the ongoing financial soundness of **SERVICE ONE** or a **SERVICE ONE GROUP** company; and
- Any other person or position as determined by the Board of the employing company.

A Board is responsible for determining the remuneration arrangements for the Chief Executive/Managing Director, and any other senior employees determined to be covered by this Policy. In doing so, a Board must seek the input and advice of the Board and Management Remuneration Committee. The types of issues that apply to the determination of relevant remuneration arrangements are contained in the Terms of Reference of the Board and Management Remuneration Committee.

The objective of board and management remuneration arrangements are to:

- Ensure the ongoing prudential and financial soundness of companies in the **SERVICE ONE Group**;
- Ensure the risk management framework for the **Group** as a whole remains effective and appropriate;
- Encourage outcomes that are consistent with the values of **SERVICE ONE**, or the values that are otherwise required to be adopted by a **SERVICE ONE Group** company;
- Enable the Board of a Group company to adjust the performance based component of remuneration arrangements in line with financial, performance, and conduct outcomes of the company over periods that enable adequate measurement of short, medium and longer term outcomes. Allow for the deferral of 'at risk' payments for a period of up to 4 years or the 'clawing back' of previously paid amounts.

The remuneration arrangements for persons covered by this Policy are limited to:

- Fixed cash arrangements;
- At risk cash based arrangements; and
- The structuring of either of the above payments as permitted under relevant taxation or remuneration laws.

No part of any remuneration arrangement can be in the form of equity or equity related benefits.

4.2 Board – Expenses - Reimbursement

Directors of **Group** companies should receive reimbursement for out-of-pocket expenses incurred in the course of their duties as a director. These expenses might include use of their own motor vehicle beyond the ACT/Queanbeyan area, public and/or commercial transport, restaurant meals, laundry, telephone and hospitality when away on **SERVICE ONE Group** business.

All payments must be supported by appropriate documentation and be authorised by the relevant Board Chairperson. In the case of expenses of a Chairperson they must be authorised by the Chair of the relevant Company's Audit, Finance and Risk Committee. Where a Director believes that expenses greater than those permitted under this Policy are warranted prior approval of the relevant Audit, Finance and Risk Committee Chair is required. The following categories of expenses can be reimbursed as a matter of course:

- Fuel costs for driving their own vehicle from outside of the Canberra/Queanbeyan area to location of Board or Committee meetings, or formal **SERVICE ONE Group** functions or social engagements when representing the interest of a **SERVICE ONE Group** company;
- Reasonable phone call costs related to calls made for **SERVICE ONE Group** business. Claims must be accompanied by a diary of calls made. Reimbursement of the costs of a mobile phone or a mobile phone plan will not be made;
- Reasonable stationery costs for items used in the course of carrying out any director's responsibilities;

- Reasonable apportionment and reimbursement of costs associated with maintaining the following business related functionality – fax/telephones/computers/internet.

4.3 Travel and Accommodation arrangements

All director travel and accommodation associated with the business of a **SERVICE ONE Group** company will be arranged and booked through the Office of the Chief Executive/Managing Director. The following class or standards will apply:

- Air travel will be economy class;
- Accommodation will be at the four star standard, unless at a conference venue where directors can stay at that venue;
- All reasonable meal expenses can be charged to either the hotel or the Director's corporate credit card, or be reimbursed.

A director is not entitled to claim payment of an amount in excess of the actual costs of an entitlement covered by this Policy.

All costs above \$50.00 must be supported by a complying GST invoice or receipt. Costs below \$50.00 must be supported by an entry in a travel diary.

Where a partner of a director accompanies them while the director is on official company business the partner can share the accommodation provided for the director. All other costs of the accompanying partner are the personal responsibility of the director or accompanying partner. If any FBT obligations arise in relation to the accompanying partner the cost will be met out of the relevant director's remuneration.

4.4 Director – Training and Development

Each director (other than the Chairperson) of a **SERVICE ONE Group** company will be credited with an amount of \$3,500.00 per annum for the purpose of undertaking approved training and development. If a director (or Chairperson) holds more than one director position in the **Group** then only one amount accrues each year.

The amount will accrue from the date of the Annual General Meeting of **SERVICE ONE** and may be accumulated over the Director's term, or with the approval of the relevant Chairperson can be taken in advance of its accrual.

This Policy acknowledges that it is more likely a Chairperson will be required to attend a range of industry and other events that will fall within the definition of an acceptable training or development activity than a director, and that these attendances will be directly funded by a **Group** company. As a result the Chairperson of a **Group** company is only allocated an amount of \$2,750.00 for training and development needs each year.

The following expenditure is to be deducted from the determined training allowance:

- Conference/event registration fees;
- Travel and accommodation costs;
- Meals, drinks and out of pocket expenses related to costs such as laundry, telephone calls while in attendance at an approved event; and
- FBT costs associated with such expenditure.

Where a **Group** company Board determines that it is in the best interest of the company that all directors undertake a specific or particular training activity then the costs associated with that training will not be deducted from a director's individual allowance. Further, for a first term director who has not, at the time of their appointment, completed the AICD Directors Course or the AMI Directors Diploma, **SERVICE ONE** will directly fund the director's participation in one of those courses. The director is required to successfully complete the course as soon as possible.

A director may be directed by their **Group** Board to undertake specific training or development as a result of the outcome of the annual performance review, or to assist the Board to meet the needs identified by the Board in its Board and Director Skill and Experience Matrix. Costs of such training or development will be deducted from the respective director's allowance.

Training of the following nature can be submitted to the director's Board for approval:

- Structured Training – where individual and specific training and development needs are identified for an individual director. This type of training may also be required to assist the Board to meet the training needs as identified in the Director's Skills Matrix;
- Ad-hoc training – training self-selected by a director in furtherance of their individual needs in areas that further the overall strategic and operational needs of the relevant Group company;
- Industry specific – broad based training in areas such as the financial services sector, community banking, social enterprises, and impact investing are all considered areas that will advance the interests of **SERVICE ONE Group** companies.

5 BOARD AND MANAGEMENT REPORTING

5.1 General

The content, accuracy and timeliness of reports provided to a **Group** company Board are integral to the Board being able to fulfil its legal and statutory obligations. The responsibility to have, and maintain, a comprehensive reporting framework is a shared one between a Board and its supporting management.

Each Board of a **SERVICE ONE Group** company will approve a reporting framework that covers all key areas of Board responsibility so that it can remain across the strategic, operational, financial, and risk outcomes and environments. The framework will be regularly reviewed and updated to address any new and emerging issues. **SERVICE ONE** has determined specific requirements for financial reports to be presented to a **SERVICE ONE Group** company. These are contained in the relevant part of the Accounting Policy. The Board may periodically seek assurance from the external or internal auditor as to the integrity and effectiveness of the current arrangements.

The Board of **SOFS** will have particular regard to the reporting framework and responsibilities that it has under the **Franchise Agreement** with **Bendigo** for the operation of a number of **Bendigo Community Bank Branches**. This reporting can be both financial (i.e. agreement to draft budgets, part year or yearly financial reporting), regulatory (i.e. completion of AFSL and NCCP compliance declarations, and reporting breaches of regulatory requirements), or non-financial (i.e National Greenhouse and Energy Reporting, insurance policies and coverage, and risk events).

The reporting framework under the **Franchise Agreement** for **SOFS** include:

Reports	Timeframe
Weekly reports for each Bendigo Community Bank Branch operated by SOFS , and on a consolidated basis, covering: <ul style="list-style-type: none"> • Sales of Bendigo products and services and other products and services made available by Bendigo; • Loans given; • Deposits received; • Other money received; • All other transactions 	By 5:00pm on the 2nd business day of the next week, or in the case of consolidated monthly information the 7th business day of the next month
A report setting out all expenses incurred for the months for each Bendigo Community Bank Branch operated by SOFS , and on a consolidated basis.	By 5:00pm on the 7th business day of the next month
Information about promotional activities undertaken, and its cost, at each Bendigo Community Bank Branch operated by SOFS .	By 5:00pm on 1 March for the 6 months ending 31 December, and 5:00pm on 30 September for the 12 months ending 30 June

A copy of the full year financial information required by the Corporations Act to be given to ASIC.	By 5:00pm on 30 September for the 12 months ending 30 June
Any dividends and other distributions.	By 5:00pm on 31 December for the 12 months ending 30 June
Any community contributions.	By 5:00pm on 31 August for the 12 months ending 30 June

5.2 Management Attestation

Each Board of a **SERVICE ONE Group** company will get a yearly attestation from management as to the integrity and continuing appropriateness of the reporting framework, including a statement about the truth and fairness of the financial reports that are provided to Members or shareholders.

6 PART 2 – COMMITTEE TERMS OF REFERENCE

6.1 Audit, Risk and Finance Committee – Service One

The overall role and responsibilities of the Committee are to assist the **SERVICE ONE** Board by providing an objective non-executive review and oversight of:

- the effectiveness and integrity of the **SERVICE ONE's** financial, non-financial, and contractual reporting;
- the risk profile, appetite and risk management framework (both financial and non-financial – including outsourcing and business continuity risks) for **SERVICE ONE**;
- emerging risks, near misses and risk events that could impact the ongoing viability of the **Group** entities with specific focus on adherence to the obligations of the **Franchise Agreement**;
- the performance of any investment portfolio to ensure it is operating within approved parameters, and make recommendations for any change in relevant arrangements;
- the preparation of a draft budget for **SERVICE ONE**, including budget parameters, future year forecasts and capital available for investment purposes (including that required to be invested in **SOFS**);
- budget performance for **SERVICE ONE**, and the **Group** as a whole;
- the ongoing suitability of the policies and procedures that have been adopted to ensure that a **Group** company complies with its legal obligations, the Board's approved policy structure, values and strategic objectives, and meets the contractual obligations associated with the **Franchise Agreement** for the operation of **Bendigo Community Bank Branches**;
- internal and external audit arrangements, including recommending appointment and rotation of external audit partners for **SERVICE ONE**; and
- any other function that the Board of **SERVICE ONE** delegates to the Committee.

The Committee will consist of three non-executive directors of **SERVICE ONE**. The Board of **SERVICE ONE** will appoint the chair of the Committee.

6.2 Strategic Investment Committee – Service One

The Strategic Investment Committee is established to review, and make recommendations on, the investment of Members' capital in accordance with the Capital Control and Administration Policy, the Social Enterprise Investment Policy and/or the Strategic Plan.

In addition, the Committee is responsible for the review of the Strategic Plan and to specifically provide advice on matters that form part of the transformation agenda that the Board has agreed to as part of that Plan.

The Board will consider the recommendations of the Committee in considering any social impact investments.

The responsibilities of the Committee are to, on behalf of the Board:

- Provide recommendations to the Board on potential social investment projects;
- Review processes, procedures and tools as needed to implement the Social Enterprise Investment Policy and framework;
- Review business cases developed by management in relation to recommended social investment project ideas;
- Review risk assessments for any investment project, and monitor risk management processes, controls and monitoring for each approved investment project;
- Monitor the performance of outstanding social investments recommend to the Board and recommend any required changes;
- Develop and provide periodic reports to the Board on the performance of all outstanding investments;
- and
- any other function that the Board of SERVICE ONE delegates to the Committee.

The Committee will consist of three non-executive directors of **SERVICE ONE**. The Board of **SERVICE ONE** will appoint the chair of the Committee.

6.3 Audit, Risk and Finance Committee – Service One Financial Services

The Audit, Risk and Finance Committee represents an important structural element of the reporting framework for the Board of **SOFS** so as to be assured that **SOFS** remains in compliance with its contractual obligations to **Bendigo** and is achieving its strategic, financial, and related objectives.

The overall role and responsibilities of the Committee are to assist the **SOFS's** Board by providing an objective non-executive review and oversight of:

- the effectiveness and integrity of **SOFS's** financial, non-financial, and contractual reporting, with particular reference to **Bendigo Community Bank Branch** reporting for financial and risk outcomes and emerging issues (as contained, in part, in the Monthly Branch Manager Reporting regime recommended by **Bendigo** and/or the reporting specified in the **Franchise Agreement**;
- the risk profile, appetite and risk management framework (both financial and non-financial – including outsourcing and business continuity risks);
- emerging risks, near misses and risk events that could impact the ongoing viability of **SOFS** with specific focus on adherence to the obligations of the **Franchise Agreement**;
- the preparation of a draft budget for **SOFS**, including budget parameters, future year forecasts and funds available for distribution purposes;
- budget performance for **SOFS**;
- the ongoing suitability of the policies and procedures that apply to **SOFS** to ensure that it complies with its legal obligations (the Board of **SERVICE ONE'S** approved policy structure for **SOFS**), its approved values and strategic objectives, and meets the contractual obligations associated with the **Franchise Agreement** for the operation of **Bendigo Community Bank Branches**;

- internal and external audit arrangements, including recommending appointment and rotation of external audit partners for **SOFS**; and
- any other function that the Board of **SOFS** delegates to the Committee.

The Committee will consist of three non-executive directors of **SOFS**. The Board of **SOFS** will appoint the chair of the Committee.

6.4 Strategic, Operation, Marketing and Sponsorship Committee – Service One Financial Services

It is essential that the Board of **SOFS** receives timely and comprehensive advice on the company's compliance with, and discharge of, its responsibilities under the **Franchise Agreement** with **Bendigo** for the conduct of the **Bendigo Community Bank Branches**. Additionally, progress towards, and the achievement of, the collective and individual **Bendigo Community Bank Branches'** strategic and performance objectives will significantly impact the overall success of **SOFS**.

The overall role and responsibilities of the Committee are to assist the **SOFS's** Board by providing an objective non-executive review and oversight of:

- the development, review, and reporting on the strategic plan for **SOFS** as a whole, and for individual **Bendigo Community Bank Branches**;
- receiving and reviewing reports on Branch performance with a particular focus on matters relevant to the Committee's role which are contained, in part, in the Monthly Branch Manager Reporting regime recommended by Bendigo and/or the other reporting specified in the **Franchise Agreement**;
- human resource recruitment, management, and training needs and outcomes for **SOFS** staff;
- business development and marketing initiatives and outcomes for **Bendigo Community Bank Branches**;
- proposals from management to the **SOFS** Board, where required under the relevant policy arrangements, on proposed sponsorship and grants to be provided through the **Bendigo Community Bank Branch** structure, or otherwise; and
- any other function that the Board of **SOFS** delegates to the Committee.

The Committee will consist of three non-executive directors of **SOFS**. The Board of **SOFS** will appoint the chair of the Committee.

6.5 Director Nomination Committee – Ad-hoc committee for all Service One Group companies

The Director Nominations Committee has the structure, roles and functions as set out in Appendix 6 of the **SERVICE ONE** Constitution. It will undertake those functions for all companies that form part of the **SERVICE ONE Group**. It is an ad-hoc committee.

Additionally, the Committee will undertake the yearly assessment of all elected directors within the **SERVICE ONE Group** as set out in the Fit and Proper Policy and/or the Constitution of **SERVICE ONE**.

In fulfilling its responsibilities the Committee must, in addition to the requirements set out in the Constitution of **SERVICE ONE** for determining eligibility to be a director, take into account, report on, and undertake the following in its assessment of candidates for election to a position of director in a **SERVICE ONE Group** company:

- a review, for the period since the last review, of the performance of the Board with a particular focus on the existing skills and balance of the Board and whether there is a need for change;
- the balance of the Board when compared against the Board and Director Skills and Experience Matrix contained in the Fit and Proper policy that is relevant to that Board;
- the person's fitness when considered against the requirements contained in the **SERVICE ONE** and/or **SOFS** Constitution (as the case requires);
- the results of an independent skills and performance assessment of the Board and directors;
- the review and assessment of the information contained in the Nominations Pack material completed by each candidate; and
- where obtained, referees reports for candidates.

Additionally, in reviewing the material provided as part of the Nominations Pack the Committee will undertake appropriate and comprehensive searches of ASIC and Bankruptcy data bases, and undertake relevant police and court record checks. Regard will also be had to any convictions that might automatically disqualify a person from managing a corporation.

The Committee must meet with all candidates for election. This can be by electronic means.

The Committee must make a recommendation to the Board of **SERVICE ONE**, and in the case of nominees for a position on the **SOFS** Board, **SOFS** as well, as to whether the person is suitable when assessed against all relevant criteria. It will tell the Board whether the person should be endorsed as a 'preferred candidate' by the Board.

Only persons who are found, by the Committee, to meet all the requirements for nomination to be a director of **SERVICE ONE**, or **SOFS**, are eligible for election as a director.

If, and only if, the Committee has determined that a person is fit and proper, the Board of **SERVICE ONE** will notify the person in writing that the Board will submit the person's name as a candidate for election to the relevant Board. The Board of **SERVICE ONE** will notify a person, in writing, if they have been assessed as not being fit and proper. It is not necessary to state the reasons for the decision.

The Committee will be comprised as follows:

- The Chairperson of the Board to which the person being considered for election will be appointed chair of the Committee except in years when the Chairperson is being considered for election. In those years the Board of the relevant Board will appoint another director to chair the Committee's meetings;
- Two other persons with an overall mix of skills, knowledge, and experience relevant to the role of the Committee who are not directors or employees of a **SERVICE ONE Group** company.

The Board of **SERVICE ONE** will determine who will be the non-director members of the Committee. The Board of **SERVICE ONE** will set the remuneration arrangements for the non-director members.

6.6 Board and Management Remuneration Committee – Ad-hoc committee for all Service One Group companies

The Board and Management Remuneration Committee has the following roles and responsibilities for the relevant **SERVICE ONE Group** company that establishes it:

- to provide that Board with recommendations and advice in relation to:
 - the total remuneration to be paid to the Board of the establishing company, which is then approved by its Members/shareholders at an Annual General Meeting; and
 - the remuneration arrangements for its Chief Executive/Managing Director, and other positions covered by the provisions of this Policy.

The following matters are to be taken into account by the Committee in providing a recommendation about a remuneration arrangement for a Board or any other position considered by the Committee:

- the objectives of this Policy;
- the amount to be considered as a fixed remuneration component and how much, if any, is considered to be an at risk component;
- that, taken as a whole, the remuneration arrangements for those positions covered by this Policy, individually, and collectively, support the long term financial soundness of the **SERVICE ONE Group** company for which the positions are employed;
- Where there is an at risk component of remuneration in a position's recommended remuneration there is the capacity on a short, medium, and long term basis to adjust those outcomes on the basis of outcomes against determined performance standards, financial outcomes or conduct, including the ability to adjust previously made determinations;
- The outcomes of labour market assessments or salary surveys for similar positions in similar organisations;
- The prevailing labour market conditions and practices in the areas (physical and practical) in which the **SERVICE ONE Group** operates;

- The incumbent's performance against agreed performance measures, including any feedback received from other relevant officers about those performance outcomes;
- The general, and financial, outcomes and performance of the **SERVICE ONE Group** as a whole, and, specifically the outcomes for the specific company that the relevant Board or position is employed by;
- The level of pay increases agreed with staff generally in the specific company that the relevant Board or position is employed by;
- Any changes in the nature and basis of work undertaken by the person or Board; and
- Any discussions with the person or persons who make up the Board.

The Committee will be compromised as follows:

- The Chairperson of the Board to whom the Committee is to formally report will chair the Committee;
- Two other persons with an overall mix of skills, knowledge, and experience relevant to the role of the Committee who are not directors or employees of a **SERVICE ONE Group** company.

The Board of **SERVICE ONE** will determine who will be the non-director members of the Committee. The Board of **SERVICE ONE** will set the remuneration arrangements for the non-director members.

6.7 Constitution Review Committee – ad-hoc committee for all Service One Group companies

The Constitutional Review Committee will provide recommendations to a Board on the working of the Constitution in all its aspects and purposes. The Committee is an ad-hoc Committee established as required by a Board of a **Group** company.

In carrying out its role the Committee shall:

- review the relevant Constitution;
- provide meaningful suggestions to the Board for the improvement of the Constitution;
- ensure that suggestions presented to the Board take into account the requirements of mutuality, ASIC and other regulatory bodies, as the case requires;
- maintaining any expenditure it is responsible for within the approved Board budget; and
- prepare and submit a draft budget for expenses in relation to its Terms of Reference to the Board it is reporting to.

In the case of the Constitution of **SOFS, Bendigo** must approve any change prior to it being given to shareholders for approval and may ask for changes to the company's Constitution.

SERVICE ONE must also tell **Bendigo** about any proposed amendment of its Constitution prior to giving the amendment to its Members. At the time of giving the proposed amendment to its Members it must also give a copy to **Bendigo**.

The Committee will ensure that the consultations and approvals, as the case requires, is obtained prior to seeking formal approval of any amendments.

The Committee will consist of three directors of the relevant GROUP company. The establishing Board will appoint the chair of the Committee.