

# Inner East Community Finance Limited

ABN 96 099 590 593

Registered Office: 143 Maling Road, Canterbury VIC 3126

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (AGM) of shareholders of Inner East Community Finance Limited (Company) will be held at 143 Maling Road, Canterbury VIC 3126 on Tuesday, 14 November 2023 at 6:00pm (AEDT) (Meeting).

## AGENDA

### ORDINARY BUSINESS

#### 1. Receipt of Annual Report

To receive and consider the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2023.

*Note: no vote is required on this item of business.*

#### 2. Adoption of Remuneration Report

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

*"That the Remuneration Report for the year ended 30 June 2023 be adopted."*

*Note: the vote on this item of business is advisory only and does not bind the Directors or the Company.*

#### 3. Directors' and Officers' Remuneration

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

*"That the Directors and Officers of Inner East Community Finance Limited be remunerated in accordance with the proposal set out in the Explanatory Notes".*

### Voting exclusion statement

The *Corporations Act 2001* Cth (Corporations Act) restricts members of the key management personnel (KMP) and their closely related parties from voting in relation to Items 2 and 3 in certain circumstances.

The Company will disregard any votes cast on Item 2 or 3:

- by or on behalf of the members of the KMP named in the Remuneration Report for the year ended 30 June 2023 and closely related parties of those persons, regardless of the capacity in which the vote is cast; or
- as a proxy by members of the KMP at the date of the meeting and their closely related parties,

Unless the vote is cast as proxy for a person entitled to vote on Item 2 or 3:

- in accordance with a direction on the proxy form; or
- by the Chair of the Meeting in accordance with the express authority in the proxy form to vote undirected proxies as the Chair sees fit even though Items 2 and 3 are connected with the remuneration of the KMP.

**What this means for shareholders:** If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on Items 2 and 3. If you intend to appoint the Chair of the Meeting as your proxy, you can direct the Chair how to vote by marking the boxes for Items 2 and 3 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the

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boxes for Items 2 and 3 and give the Chair your express authority to vote your undirected proxy (in which case the Chair intends to vote in favour of these items of business).

### 4. Election of Directors

To consider, and if thought fit, to pass each of the following resolutions as separate ordinary resolutions:

#### Election of Directors retiring by rotation:

(a) To re-elect **Juliann Byron** as a Non-Executive Director of the Company:

*“That Juliann Byron, being a Director of the Company and who retires in accordance with Rule 62(1) of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”*

#### Election of Directors appointed by the Board since the 2022 Annual General Meeting

(b) To elect **Coral Ross** as a Non-Executive Director of the Company:

*“That Coral Ross, being a Director of the Company who was appointed during the 2022/23 financial year in accordance with Rule 52(2) of the Company’s Constitution, and being eligible, is elected as a Director of the Company.”*

### 5. Share Buy-Back Program

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

*“That for the purposes of the Corporations Act and for all other purposes, approval is given for the Company to buy-back fully paid ordinary shares (Shares) in the Company, on the terms and conditions set out in the Explanatory Notes.”*

### 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

In accordance with the Constitution of the Company, each shareholder is entitled to one vote.

### Voting Restrictions

Key management personnel of the Company and their closely related parties may not vote on Items 2 or 3. For the purposes of this voting restriction:




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- The 'key management personnel' for Inner East Community Finance Limited are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, including any Director (whether executive or otherwise) of the Company.
- A 'closely related party' of a member of the key management personnel for Inner East Community Finance Limited includes a spouse or child, a child of the member's spouse, a dependent of the member or of the member's spouse, or anyone else who may be expected to influence the member (or be influenced by the member) in the member's dealings with the Company.

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 6:00pm (AEDT) on Sunday, 12 November 2023.

### How to submit your vote or any questions in advance of the AGM

- Shareholders may appoint a proxy to vote on their behalf. Proxy votes must be received by **6:00pm (AEDT) on Sunday, 12 November 2023**. Instructions on how to appoint a proxy are outlined in the proxy form.
- Shareholders are encouraged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a shareholder's vote is to be cast on each item of business, the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the proxy form attached to this Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxyholder's attendance at the Meeting.
- Shareholders are also invited to submit questions in advance of the Meeting by email to the Company at [ea@iecf.com.au](mailto:ea@iecf.com.au). During the course of the AGM, we will endeavour to address as many of the more frequently asked questions received by Wednesday, 8 November 2023. However, there may not be sufficient time available at the Meeting to individually address all questions asked. Please note that individual responses will not be sent to shareholders.
- Proxy forms may be lodged using the Reply Paid Envelope or:

 Online	<a href="https://www.votingonline.com.au/iecagm2023">https://www.votingonline.com.au/iecagm2023</a>
 By Fax	+ 61 2 9290 9655
 By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
 In Person	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000 Australia

### Receiving shareholder information electronically

Receiving your shareholder information electronically is the best way to stay informed about your shareholding. If you have not already elected to access shareholder information electronically, I encourage you to take this opportunity to switch to paperless communications. To do so, simply complete a Communication Election Form and return to our share registry, Boardroom Pty Limited.

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### Further information

If it becomes necessary or appropriate to make alternative arrangements to those set out in the Notice, information will be lodged via the NSX Market Announcements Platform (NSX: IEC) and posted on our website at <https://iecf.com.au/investor-relations/>

### Enquiries

Shareholders are invited to contact the Company by email at [ea@iecf.com.au](mailto:ea@iecf.com.au) if they have any queries in respect of the matters set out in these documents.

Yours faithfully,

A handwritten signature in black ink that reads "Bob Stensholt". The signature is written in a cursive, slightly slanted style.

**Bob Stensholt**

Chair

Inner East Community Finance Limited

**6 October 2023**

## EXPLANATORY NOTES

These Explanatory Notes for this Notice have been included to assist you in making an informed decision about the resolutions proposed at the Meeting.

### Item 1 – Receipt of Annual Report

The Company has prepared and will table at the Meeting the Annual Report (which incorporates the Company's Financial Report, Directors' Report and Auditor's Report) for the year ended 30 June 2023.

The Chair of the Meeting will allow shareholders a reasonable opportunity as a whole to ask questions about or make comments on, the management of the Company. The Auditor, RSD, will also attend the meeting and a reasonable opportunity will be given to shareholders to ask questions of the Auditor relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted in relation to the preparation of the financial statements, and the independence of the Auditor in relation to the conduct of the audit. Shareholders may also submit questions to the Auditor, RSD, on the content of the Auditor's Report or the conduct of its audit for the year ended 30 June 2023. Such questions must be submitted by email to the Company at [ea@iecf.com.au](mailto:ea@iecf.com.au) by no later than Wednesday, 8 November 2023. The Auditor is not required to provide written answers.

You may obtain a hard copy of the Annual Report by contacting the Company at [ea@iecf.com.au](mailto:ea@iecf.com.au) and may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report via the NSX Market Announcements Platform (NSX: IEC) or on our website at <https://iecf.com.au/investor-relations/>

### Item 2 – Adoption of Remuneration Report

The *Corporations Act* requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Company's 2023 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

The Chair of the Meeting will allow shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

***The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report. The Chair of the Meeting intends to vote all undirected proxies in favour of Item 2.***

### Item 3 - Directors' and Officers' Remuneration

The Board has undertaken a review of the Company's current remuneration system and levels for its directors and officers, which have remained unchanged since 2018.

The current remuneration system is outlined below:

Non-Executive Board Chair	\$30,000
Non-Executive Directors who are Committee Chairs	\$13,000
Other Non-Executive Directors	\$10,000
Treasurer and Company Secretary	\$10,000

The expectation and role of directors and officers has increased significantly over the last few years with the growth of the Company and with the addition of Kew East has added to the responsibility of the directors and their liabilities. The proposed increase to remuneration would be simplified to one amount:

### Proposed New Remuneration System

The proposed new director remuneration model will consist of a standard payment that is made in recognition of the personal liabilities of each director of a publicly listed company and to compensate for the additional work required to be undertaken. This payment will be:

Non-Executive Board Chair \$35,000

Non-Executive Directors, Treasurer and Company Secretary \$15,000

The proposed increase is considered reasonable and appropriate.

***The Board unanimously recommends that shareholders vote in favour of the Directors' and Officers' Remuneration proposal. The Chair of the Meeting intends to vote all undirected proxies in favour of Item 3.***

### 4. Election of Directors

#### Item 4 – Election of Directors

The following Director retires by rotation in accordance with Rule 62(1) of the Company's Constitution and, being eligible, offers themselves for re-election:

##### (a) Juliann Byron

Juliann was appointed a Director in February 2004. Juliann has extensive experience in the accounting and finance fields. She has also provided corporate secretarial, management and governance consulting services over many years, and is a Non-executive Director on public and not for profit company boards. She is a Member of the Audit and Governance Committee, Community Investment Committee, Finance Committee and Performance and Remuneration Committee.

***The Board (with Ms Byron abstaining) unanimously recommends that shareholders vote in favour of the re-election of Ms Byron. The Chair of the Meeting intends to vote all undirected proxies in favour of Item 4(a).***

The following Director was appointed by the Board since the 2022 Annual General Meeting in accordance with Rule 52(2) of the Company's Constitution and, being eligible, offers themselves for election:

##### (b) Coral Ross

Coral was appointed as a Director on 5 December 2022. A professional journalist with more than 20 years' experience, Coral has had an esteemed career in local government. She was a councillor at the City of Boroondara, for more than 18 years and served as Mayor of the City of Boroondara three times. Coral is passionate about gender equality and is the Chair of the Australian Gender Equality Council and was previously the President of the Municipal Association of Victoria.

Coral was made a Member of the Order of Australia (AM) in the 2021 Queen's Birthday Honours. In 2019 Coral was inducted into the Victorian Women's Honour Roll and in 2014 she was named as one of the 100 Women of Influence by Westpac/Fairfax. She is also a Fellow of the Australian Institute of Company Directors. She is a Member of the Community Investment Committee.

***The Board (with Ms Ross abstaining) unanimously recommends that shareholders vote in favour of the election of Ms Ross. The Chair of the Meeting intends to vote all undirected proxies in favour of Item 4(b).***

#### Item 5 – Share Buy-Back Program

As part of its ongoing review of the strategic needs of the Company, in 2015 the Board considered the capital structure and ongoing capital needs of the group. The Board considered:

- The low volume of buyers available when a shareholder wants to sell their Shares

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- The low share price compared to the net asset backing of the Shares
- The limits placed on the Company regarding shareholder distributions set out in the Franchise Agreement with Bendigo and Adelaide Bank; and
- The excess capital held and the restrictions placed on the Company under the Franchise Agreement to invest that capital in other risk ventures.

The Board, then subsequently shareholders at previous Annual General Meetings of the Company have considered and approved a proposal to enter into a Share Buy-Back Program (Program) with the following limitations:

1. The Program would operate for 12 months from 1 January to 31 December. The Company would reserve the right to close the Program early at any time
2. All Shares would be purchased under the Program on the NSX market at the market price available from time to time
3. The Company will appoint a broker for the purpose of acquiring these Shares; and
4. The Program would have no minimum number of Shares that must be purchased. The Maximum number of Shares that may be purchased pursuant to this Program is 260,000 Shares.

The Board:

- A. Monitors the Company's ability to buy Shares under the Program to ensure it does not breach the requirements of the *Corporations Act*; and
- B. Seeks guidance from the broker, in the absence of regular share trading in the Shares of the Company, what offer price should be provided to the market in order to meet the objects of the Program.

The Board has considered and approved a proposal, subject to shareholder approval, to enter into a Share Buy-Back Program to operate from 1 January 2024 to 31 December 2024 with the same limitations as the Program operating described above.

### General Questions

To assist shareholders to make a decision on Item 5, the Company has provided the following questions and answers:

Do I have to sell my Shares? No. Shareholders can choose to keep their Shares or sell them on the market.

How can I sell my Shares? If you want to sell your Shares, you will need to appoint an NSX share broker to sell them on the market for you.

Details of NSX brokers can be found at <https://www.nsx.com.au/>

Once you have appointed a broker, they can guide you through the selling process, including how you will be paid.

How many Shares do I own? If you have any questions about your shareholding, such as how many Shares you own, you should contact our share registry at:

Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000

Ph: +61 2 9290 9600

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Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

Web: <https://boardroomlimited.com.au/>

What happens to the Shares after the Company purchases them?

Once the Company purchases Shares under the Program, the Shares must be cancelled. The Company cannot sell them back to the market again. (Section 257H *Corporations Act*)

If I sell Shares, will I still get a dividend?

There is no guarantee the Company will pay dividends in the future. If it does, the shareholders that own shares at the "Record Date" for any dividend shall be entitled to that dividend. If you sell your Shares before any Record Date, you will not be entitled to a dividend.

How will I know if the Company has purchased any Shares?

The Company is required to advise ASIC when it has cancelled any shares and will also make a formal announcement on the NSX. Our NSX code is IEC.

More details can be found at <https://www.nsx.com.au/>

Will the Company buy these Shares all at once?

No. The Company does not intend to make it difficult for potential purchasers to acquire shares on the NSX. It may therefore acquire parcels of Shares progressively throughout the duration of the Program. It may stop purchasing or cancel or suspend the Program at any time.

***The Board unanimously recommends that shareholders vote in favour of the Share Buy-Back Program. The Chair of the Meeting intends to vote all undirected proxies in favour of Item 5.***