

Introduction for prospective directors

Maldon & District Financial Services Ltd (MDFSL)

This document provides a summary of the roles and expectations for prospective board directors.

The role of Board Directors

Board members are actively involved in running the company. This includes attending board and portfolio meetings, annual strategy days and representing the company at various community and other events.

It is the responsibility of the Board to govern the company, however the Community Bank model requires hand on involvement in non-bank operations such as communications, finance, granting. The day-to-day management of the banking business is the responsibility of the Branch Manager and branch staff. Board members are not involved in customer business, and branch staff maintain complete banking confidentiality for all customers.

As with any Public Company, there are legal and fiduciary obligations to ensure that Directors act in good faith in the best interest of the company.

The Board has a key role in deciding how the company profits are distributed back into the communities of Maldon, Dunolly, Newstead, Harcourt, Lockwood South and the Mount Alexander Shire. We seek the advice of the Executive Officer, Branch Manager and staff when making these decisions in order to benefit the community and provide opportunities to grow the business.

The Board has a number of portfolios (committees) to ensure maximum effectiveness and share the workload across all board members. Directors are required to join one or two portfolios in which they have skills and interest. The Executive Officer provides support to these portfolios as well as to the Board in general and the Chair. Current portfolios are:

- Audit & Governance
- Business Development
- Community Investment
- Finance
- Human Resources

The role of a board member is diverse. Directors will be required to:

- Understand our company's history, operations and purpose
- Understand their role as directors and act in the best interests of the company
- Be an ambassador for the company, including promoting the Maldon & District Community Bank Branch in the community and representing the company at community events
- Attend and actively participate in monthly board meetings, at least one portfolio (committee) meeting a month and an annual strategy day
- Provide governance and monitor compliance and company performance.
- Communicate our key message that banking at Maldon and Dunolly branches generate business profits that go back to these communities.
- Take out a once-off minimum company membership of \$500
- Complete a national police check and WWCC

The company provides:

- Professional indemnity insurance
- Sitting fees, currently at \$3,000 annually
- Professional and personal development support and training opportunities

The role provides:

- A strong community feel good factor
- Opportunities to build community networks
- Opportunities to work with skilled and experienced board members
- Opportunities to be part of the national Community Bank network

An induction process is provided to support new directors to understand their role as a Board member. Developing talent within our company, including staff and Directors, is a real focus.

Training and professional development are also offered to all directors to enable them contribute effectively to the successful running of the organisation. We have a dedicated annual training budget and encourage directors to propose training and professional development opportunities.

MDFSL provides director fees of \$3,000 per annum to support directors to attend meetings, community events, conferences including state or national Community Bank conferences, and professional development. Directors & Officers (D&O) Insurance of \$10 million liability is also provided for all directors to protect them against personal liability for claims that may arise out of the decisions they make while on the board. Exclusions apply to this insurance.

Directors are expected to commit to a minimum two-year term on the Board. This time frame allows Directors to develop a thorough understanding of the company, and to develop skills and confidence that can contribute to the board and company performance.

It is expected that directors commit 3 - 5 hours a month for portfolio work (meetings and actions arising from the meetings). Board commitments and meetings takes another 3 - 4 hours per month. Board members are expected to also represent the company at community events or other occasions such as grants nights, strategy meetings, the Annual General Meeting (AGM), Community Bank conferences or at events sponsored by the Maldon & District Community Bank.

We expect our staff and directors to have a strong commitment to the local communities that we serve.

Why become a MDFSL board member?

It is a rewarding and challenging role that provides opportunities to develop new skills, meet people and enhance your connections to community and organisations in the region and the wider Community Bank network. You'll be working as part of a dedicated, professional and talented team.

For more information or to apply, contact:

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More information can also be found at our website and on our Facebook and Instagram pages:

<https://maldoncb.com.au/>

<https://www.facebook.com/MaldonCB/>

General information on director roles and responsibilities can be found at:

- Australian Institute of Company Directors (AICD): www.companydirectors.com.au/dutiesofdirectors
- Justice Connect: www.nfplaw.org.au/governance