

SOCIAL ENTERPRISE CERTIFICATION

FREQUENTLY ASKED QUESTIONS FOR SHAREHOLDERS

1. Why should our company certify as a Social Enterprise?

- a. The Community Bank model has been operating as a social enterprise for decades without claiming any credibility for its impact. Claiming certification is validation of this.
- b. Certification provides a great framework to tell our story and explain how we deliver impact in community.
- c. Gives independent validation of our business, showcasing our commitment to positive social outcomes.
- d. Unlock growth opportunities with the growing socially aware cohort (businesses and individuals) seeking to confidently choose businesses/products/services making a difference for people and planet.

2. What is the Social Traders criteria for certification?

- There are three criteria for certification which have been operationalised from the definition of social enterprise that came from the Finding Australia's Social Enterprise Sector (FASES) study by the Centre for Social Impact at Swinburne University in 2010 and 2016.
- The three criteria are as below:
A social enterprise:
 - Has a defined primary social purpose that is consistent with a public or community benefit
 - Derives a substantial portion of income from trade, and
 - Invests efforts and resources into its purpose such that public or community benefit outweighs private benefit.

3. Will we need to change how we operate to achieve certification?

- No. If your community bank company has been following the principles of the community bank model and contributing to the prosperity of your community, you will satisfy the criteria for Social Enterprise certification.

4. Does Certification interfere with our corporate structure?

- There is no change to your corporate structure. Social Enterprise certification does not change how the company operates. This is an external certification that acknowledges your Community Bank company as a social enterprises.

5. Why would we change from a for profit franchisee of BEN to social enterprises?

- You are not changing how you operate as a franchise of Bendigo Bank. Certification does not alter your company structure, nor require any changes.

6. Is there an establishment fee or ongoing cost for certification?

- The cost of certification for your company is included in the annual membership fee with Social Traders. This is \$750 per year.

7. How often do you need to renew your certification?

- Every three years

8. Why do you need shareholder approval?

- Community Bank companies need shareholder approval for your Mission Statement as it is not provided in any of the governing documents i.e., Constitution or Franchise Agreement. For Social enterprise certification your mission statement must be present in your governing documents. Having an embedded mission, and your distributions policy are a requirement of Social Traders certification.

9. Isn't the dividend policy already agreed?

- Yes there is a dividend policy referenced in the franchise agreement and the constitution. The dividend statement that is included in the Mission Statement relates to a 12-month period and aligns with criteria 3 of the Social Traders certification framework by ensuring that in any year, public/community benefit outweighs private benefit.

10. What is the shareholder voting requirements?

- A special resolution. That is 75% of all shareholders in attendance virtually, physically or via a proxy must approve the proposed Mission Statement.

11. What will change after certification?

- Nothing will change operationally or structurally.
- Your company will have gained its rightful recognition and the story it shares is simpler to tell. Your Community Bank company is a social enterprise that operates a BEN Community Bank franchise.
- If desired, there will opportunities that your company can pursue within the large and growing social enterprise network many within this network your company will already have relationships now these can be deepened and grown for business and for impact opportunities.

12. Is the Community Bank that my community company operates a social enterprise?

- NOTE: Your Community Bank company is certified, not the community bank branch or Bendigo Bank.

13. How might the Company leverage the Social Traders accreditation?

- Your Community Bank company will have access to a network of social enterprise businesses where you can share your story - in the same way that your company currently networks with sponsored community groups and clubs. Social Traders will also provide support so your Community Bank company can maximise certification membership.
- Credibility – Social Traders certification gives you external validation that your business creates impact through trade.

- Network – As a certified social enterprise, you will join an existing community of 580+ other certified social enterprises that have impact at the heart of their business. You will also join over 200,000 companies and organisations that align themselves with this sector although for various reasons have not sought certification. You will also be visible to Social Traders network of business and government members actively searching for social enterprises to buy from and incorporate into their supply chains.

14. How does social enterprise certification help us to tell our story better?

- Social Enterprises are broadly understood by customers to be companies that exist for good.
- It is a single term that describes who we are and what we do.
- Social Enterprise sector is significant and growing so awareness is increasing, particularly amongst the younger population.

15. Are there financial benefits to becoming certified e.g., tax concessions?

- Not at this stage.

16. What is the Mission statement?

- (Company's name e.g. Melbourne's) mission is to be a substantial, sustainable community built business that contributes to community prosperity.
The one-page Mission Statement also contains reference to the dividend distribution and to rules around any changes to the statement.

17. Could social enterprise certification enable shareholder renewal?

- Sharing the news about becoming certified should be an opportunity to reengage with the current shareholders and be informed about this positive third-party recognition and endorsement for what the company has been doing in your communities for the past ?? years.
- Your shareholding has enabled this through the initial investment you made, and you should feel proud of this external recognition. It also gives a reason for shareholders to consider how they divest of this impactful investment. Proudly hand on to their children or grandchildren or even their community group or association they support.

18. Will the public know or even care about certification?

- Some will, some won't...it's no different to the current state of understanding our Community Bank story.
- The social enterprise sector is one of the largest growing sectors globally.
- All levels of government see engaging with social enterprises as part of their future.
- Social enterprise certification particularly resonates with the younger generation. We can play a role in sharing the knowledge and understanding of this incredibly important sector of our community – companies that prioritise profit for purpose!
- The values that exist with the people that operate in and around the social enterprise sector align strongly with those people that operate in the Community Bank network. This will potentially be more likely to resonate with our values proposition of banking with our Community Banks.

- Social Enterprise certification can be seen as a staff retention and attraction initiative with a growing sector of our community wanting to work for organisations that do good, that have a profit for purpose focus. Our staff should feel super proud to be employed by a SE certified company that has been externally and nationally recognised for the great impact it makes in your community.
- Social Enterprise certification can also be seen as an attraction for gaining skilled directors who seek out roles on companies that place importance on making a difference.