

HARBORD FINANCIAL SERVICES LIMITED
A.B.N. 25 097 282 525

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Harbord Financial Services Ltd will be held at 7.00pm on Thursday, 15 November 2012 at the Freshwater Surf Life Saving Club, Kooloora Street, Freshwater NSW.

Ordinary Business:

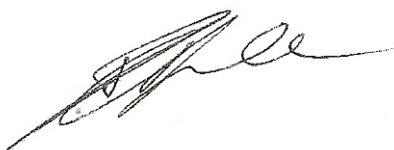
1. Receipt of Annual Report.
To receive the Company's Financial Report, the Directors Report and the Auditor's Report for the year ended 30 June 2012.
2. To notify the meeting that the Directors have declared a fully franked dividend to shareholders of 10 cents per share.

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

3. Re-election of Directors retiring by rotation:
 - (a) That Noela Roberts be elected as a Director,
 - (b) That John Vaccaro be elected as a Director,
4. Election of new Directors:
 - (a) That Denise Goldstein is ratified as a Director.
 - (b) That Peter Harley is ratified as a Director.
5. Voluntary Withdrawal of Listing on NSX
That 75% majority of shareholders at the meeting pass a motion:
"To withdraw the Company's listing from NSX in the next 2 years subject to the NSW Government abolishing duty on the transfer of unlisted shares."
6. Remuneration Report:
That the remuneration report be adopted.

DATED this 12th day of October 2012

BY ORDER OF THE BOARD



Ian Greentree
Company Secretary

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 person of the joint shareholding is present (including by proxy), the joint holder whose name appears first in the share register may vote. The other joint shareholder can not vote.

Corporate Shareholders: A corporate shareholder must 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.

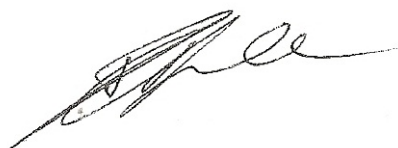
Proxy: If you are unable to attend the Meeting, you are entitled to appoint a proxy to attend and vote. See the attached Proxy Form for information on appointing a proxy.

Voting Right:

Each shareholder is entitled to **one** vote. (regardless of the number of shares held).

For the purpose of voting at the Meeting, shares will be taken to be held by the shareholders who are registered as members as at 5.00pm on 12 November 2012.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Ian Greentree', written over a faint horizontal line.

Ian Greentree
Company Secretary
12th October 2012

A proxy form accompanies this Notice of meeting. A member entitled to attend and vote at this meeting is entitled to appoint a proxy. The proxy need not be a member of the Company.

Explanatory Notes

This information has been included to assist you in making an informed decision about the resolutions proposed at the meeting.

Agenda Item 1

Harbord Financial Services Limited's Annual Report including the financial report and other items will be laid before the meeting in accordance with the Corporations Act. There is no requirement for shareholders to approve those reports. However, the Chairman will allow a reasonable opportunity for shareholders at the meeting to ask questions about, or make comments on the management of the Company. The Chairman will also allow reasonable opportunity for shareholders at the meeting to ask the Auditor or the Auditors representative questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by Harbord Financial Services Limited in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Agenda Item 2

The Directors have approved a fully franked dividend of 10 cents per share to be paid in February 2013. This is for notification and no resolution is required

Agenda Item 3

The following information is provided about candidates for re-election to the Board.

- (a) Noela Roberts retires by rotation in accordance with the Constitution of the Company, and being eligible, offers herself for election.
- (b) John Vaccaro retires by rotation in accordance with the Constitution of the Company, and being eligible, offers himself for election.

The above two directors have been actively involved as directors of the Company. The Board recommends the re-appointment of these two directors.

Agenda Item 4

The following information is provided about candidates for election to the Board.

- (a) Denise Goldstein to be elected in accordance with the Constitution of the Company, and being eligible, offers herself for election.
- (b) Peter Harley to be elected in accordance with the Constitution of the Company, and being eligible, offers himself for election.

The above two directors have been actively involved as Ambassadors and as new directors of the Company. The Board recommends the appointment of these two new directors.

Agenda Item 5

Under the Listing rules of the National Stock Exchange of Australia (NSX) the Company is required to pass a motion by shareholders to withdraw its listing. We are also required to provide 90 days notice to shareholders of our intention to delist.

The reason for wanting to delist is that the board initially thought that by listing we would create an easier market for the sale of shares as there is no duty on the transfer of listed company shares and shareholders and the public would be able to view the trades and price of shares. Unfortunately the listing of the Company's shares has not provided the market the Board anticipated. With the NSW Government planning to abolish duty on the transfer of non-listed company shares within the next 2 years (most likely on 1 July 2013) we felt it prudent to advise shareholders and gain their approval at this AGM. Once we delist we will be able to save the listing fees and additional costs associated with the audit and announcements to the NSX. We will provide 90 days notice to all shareholders once the duty on unlisted shares has been abolished so they are aware that all future trades will be via the Company matching sellers and buyers via the Low Volume Market exemptions. On abolition of the duty and delisting the Company will make an application to ASIC (The Australian Securities and Investment Commission) to be exempt from the normal restrictions on transferring, clearing and settling of shares in accordance with Chapter 7 of the Corporations Act (Low Volume Market).

If in the next 2 years the NSW Government does not abolish duty on the transfer of non listed shares, then this approval via the motion will lapse.

Agenda Item 6

No Directors' remuneration has been paid as the positions are held on a voluntary basis. (as per the Directors' Report). Nevertheless the Corporations Act 2001 requires the Directors' Report to include a separate Remuneration Report and the business of the AGM to include a resolution for its approval as an advisory (i.e. non-binding) resolution only and does not bind the Directors of the Company.

Profiles of Directors standing for re-election



NOELA ROSE ROBERTS

Age 61

Noela has lived in Harbord for over 39 years and assisted in the family electrical business during this time. She is married to Richard for 39 years and has 2 sons, Adam and Craig. She has an Economics Degree from Sydney University and has worked in the accounting industry. She has a variety of sporting interests in the local area. Noela makes a valued contribution to the board, especially providing a women's perspective as well as her community knowledge. Noela has

been a Director of Harbord Financial Services Limited since 2007.

**JOHN VACCARO**

Age 50

John Vaccaro joined Harbord Financial Services Limited Board in 2007. Is a licensed Real Estate professional with 28 years industry experience. Employed at Richardson & Wrench Freshwater-Manly as their Licensee in Charge and is a local resident of Freshwater for the last 37 years. John is a Justice of the Peace and is actively involved and passionate about his local community. A past president of the P & F and a School Board member for St John the Baptist School, Freshwater he has also served as Vice-Chairman for the Real Estate Institute of NSW Pittwater Division, which included sitting on the disciplinary and ethics committee for the Division during that time.

Profiles of Directors standing for election**DENISE GOLDSTEIN**

Age 61

As a former GM of Sales, National Sales Director and National Sales and Marketing Manager in IT, Telco and Publishing with top Multi National organisations; Denise has had a varied career in the Australian corporate market. Leveraging on this experience, Denise founded SESI Group, a successful Executive Search business focusing on the corporate sector sourcing senior sales and marketing talent for her clients in IT, Manufacturing and Publishing.

Emigrating from the US, Denise has been a long term resident of Freshwater for the past 20 years. An active community member, Treasurer for Friends of Freshwater and was selected to participate in the Harbord Diggers Development Community Consultation Group.

Denise and her husband Robert run businesses from Freshwater. Their son Rory is active local sports, Manly Seaside Baseball and Harlequins Rugby.

**PETER HARLEY**

Age 65

Peter Harley has had a long career in senior management. Prior to his retirement in 2008, he was Executive Director of Australia's major safety testing authority, TestSafe Australia, and a Director of Workplace Health and Safety at the WorkCover Authority of NSW. He is a graduate in Commerce from UNSW and maintains his links with the University as a Director of International House Ltd. He has also taught Industrial Relations at University of Sydney on a part-time and casual basis for the last 30 years.

Like his parents before him, Peter resides in Freshwater with his family and is active in the local community as the current President of Friends of Freshwater Inc.