

**Mt Evelyn & Districts Financial Services Ltd**  
A.C.N. 096 782 240  
**Annual General Meeting 27 October 2011**

Minutes of the Annual General Meeting of Shareholders of Mt Evelyn & Districts Financial Services Ltd held at Hardy House, 49 Birmingham Road, Mt Evelyn on October 27, 2011 at 7.00pm.

Minutes recorded by Melissa Guy.

**Meeting commenced at 7.05 pm**

**1. Welcome** - Chair welcomes everyone to the 2011 Annual General Meeting of Mt Evelyn & Districts Financial Services Ltd, the operating Company of Mt Evelyn & Districts and Montrose Community Bank ® branches of Bendigo and Adelaide Bank Ltd.

**Introduction –**

**Present:**

**Distinguished Guests** – Councillor Len Cox, The Hon. Tony Smith MP - Federal Member for Casey, Terry Vail - Richmond Sinnott & Delahunty - Auditors.

**Apologies** – Christine Fyffe and David Hodgett, respective candidates for Evelyn and Kilsyth.

**Bendigo Bank Representatives** - Alison Burr - Area Manager and Community Enterprise Foundation™ representative, Mark Nolan - Yarra Ranges Regional Manager, and Simon Sponza and Rachael Cronin - State Support Centre.

**Branch Management and staff** - David Watt - Senior Group Manager, Leanne Vaytauer - Manager, Mt Evelyn Branch, Kevin Wilson, Bev Doig, Melissa Guy, Jan Krueger, Sandra Tonisson, Sue Nightingale, Janet Chandler, Sharon Tolsher and Shirleen Petty.

Lyn Calvert is on Annual Leave and is an apology.

**Shareholders** – 36 Shareholders\* attended representing 29 shareholdings.

**Directors**– Jill Rule, Margi Sank, Jan Simmons, Rick Bayliss, Georgia Donovan, Craig Keithley

**Directors Apologies** – Gai Willaims, Iain Fraser

**Absent** – Gareth Little-Hales

**Retired Director** – James Chapman retired June 21<sup>st</sup> 2011. James was a dedicated Director serving for 3½ years.

We wish him all the best in future endeavours.

(\* a full list of shareholders attending is retained in the company files)

**Business of Meeting** – Quorum is confirmed as present under the Corporations Act and the meeting is declared open for business.

**Notice of Meeting** - The Notice of Meeting was made available on the Mt Evelyn Community Bendigo Bank® website, on public notice and was also mailed together with the Annual Report to all Shareholders. Notice convening this meeting taken as read.

**Minutes of previous Annual General Meeting –**

The Minutes of the previous Annual General Meeting held on 25 November 2010, were approved by the Board and signed by the Chairperson in accordance with the provisions of Section 251A of the Corporations Act. Copies of these Minutes are available.

Moved: Craig Keithley. Seconded: Bob Hovenden

**Proxies** – The Company Secretary, Margi Sank, reported on the proxies received. 24 valid proxy forms were received by 5.00pm 25 October 2011.

All 24 nominated Chair to be proxy appointment.

Item 1. Receipt of Financial Report -	20 Accept, 4 as per Chair
Item 2. Election of Warwick (Rick) Bayliss -	20 Accept, 4 as per Chair
Item 3. Election of Georgia Donovan -	18 Accept, 2 Decline, 4 as per Chair
Item 4. Re-election of Jill Rule -	20 Accept, 4 as per Chair
Item 5. Re-election of Margi Sank -	20 Accept, 4 as per Chair
Item 6. Re-election of Gai Williams -	20 Accept, 4 as per Chair
Item 7. Re-appointment of Auditor -	
Richmond Sinnott and Delahunty -	20 Accept, 4 as per Chair

Moved: Jan Simmons, Seconded: Craig Keithley

## **2. Chairperson's Report – Jill Rule**

I am proud to deliver my report tonight for 2011, on our tenth AGM and as we head towards our tenth birthday for our Mt Evelyn branch and our first birthday for Montrose.

On last year's AGM, Montrose Community Bank® branch had only been open two weeks. I am delighted to report tonight that the Montrose branch has settled in nicely to the shopping precinct and community.

Mt Evelyn branch continues to exceed all our budget forecasts in delivering solid profits.

Our tenth year of operation is certainly a significant milestone. In 2001 by way of a Prospectus, we offered you the opportunity to invest in a project which we believed would deliver significant social and economic benefits to our region as well as the prospect of positive returns to shareholders. The outcomes would also secure banking services for our community and gain greater control over the district's capital resources.

We have achieved all these things, and true to our values, vision and mission statements, through delivering long term banking services that are community focused, we have assisted in strengthening and growing our communities.

Since we opened the Mt Evelyn branch in May 2002, we have contributed in excess of \$1.6 mil back to community by way of sponsorships and grants and including paying healthy dividends to our shareholders. Our account base has increased over the two branches from 6518 to 7200 and the total footings of the Company has grown from \$140mil last year to approaching \$160mil.

Since opening, Montrose Community Bank® branch has been growing steadily and we have every confidence that it will become profitable in its own right.

Thanks must go to the Montrose community for embracing our vision to bring banking services back to Montrose with the support of their banking and spreading the word.

Due to Mt Evelyn's pleasing result for the year, the Company overall has shown a profit, despite the predicted initial losses shown in the Montrose Prospectus.

We have also fulfilled our sponsorship commitments as well as the Annual Grants program for the year.

The Grant recipients will be announced later on in the meeting.

With the current footings of Montrose branch sitting at around 19mil, and through careful planning by your Board and Branch management, we are confident that we are on track. Of course all of this is notwithstanding any further adverse impacts from global factors, of which we have little control over.

But, with continued steady growth from both branches, we see next year as both challenging and exciting.

At this stage, I would like to pay a special tribute to the original Steering Committee, who was actively involved in getting the Montrose branch off the ground. Mostly, committees disband at the end of a campaign, but some of these members still meet once a month for a social get together and to hear how “things are going” with their “bank”. To those members here tonight, I know you are all as proud of the Montrose Community Bank® as we are and we couldn’t have done it without your contribution of time and assistance.

David Watt, Senior Group Manager and Leanne Vaytaufer, Branch Manager at Mt Evelyn and the staff are to be applauded again for their exemplary efforts resulting in the extremely pleasing result this year, during a time of uncertain global market stability in the finance sector. They are a totally committed team with a strong sense of both banking and community engagement, who continue to deliver the highest level of customer service. They are constantly exceeding customer expectations and always conscious of delivering products relevant to the customers’ lifestyle and needs. We are indeed very fortunate to have such a dedicated team. In branch assessments conducted regularly by Bendigo & Adelaide Bank Ltd, our branches are constantly in the top ranking.

We extend our congratulations and gratitude to David, Leanne and the staff for their outstanding achievements again this year.

I would now like to acknowledge my dedicated fellow Directors and thank them for their tireless efforts in ensuring that your Company continues to meet all corporate governance requirements to protect shareholder assets. So, may I take the liberty on behalf of All shareholders to sincerely thank my Board, Margi Sank, Jan Simmons, Craig Keithley, Gareth Little-Hales, Gai Williams and Iain Fraser (Gai & Iain are both apologies tonight) and Georgia Donovan and Rick Bayliss (whose appointments will be dealt with later in the meeting).

We are proud to be Director’s of Community Bank® branches that are focused on delivering value and outstanding customer service and building long term relationships with customers and community sectors.

This year, through our sponsorships and grants programs we have continued to support local communities in which we operate, and true to “our vision” have provided profits that underpin enterprise and strengthen these communities. We have helped make a difference and in some cases this has been to those who otherwise might not have been able to realise their goals.

I would like to share some of these wonderful initiatives that we have been able to assist with Grants this year:-

- \*Funding for a shade sail and improved play space for Memorial Pre-school
- \*Support programs for the 5 Kindergartens in the area & The Mt Evelyn Special Development School
- \*Mt Evelyn signage on the Warburton Trail
- \*Updating the Mt Evelyn Township Plan
- \*Equipment for The Mountain Top Toy Library & The Hills Community Childcare
- \*Funding for PA equipment for the Montrose & District Lions Club
- \*Appliances and camping equipment for The Mt Evelyn & Montrose Scouting Group
- .....Just to name a few.....

All in all, our sponsorships this year of local and districts groups, sporting clubs and organizations has again been wide and varied.

One significant initiative that has been developing is a partnership between Animal Aid in Coldstream and Bendigo & Adelaide Bank Ltd through its philanthropic arm, the Community Enterprise

Foundation™. Discussions are well underway and will see the launch of a Capital Raising campaign next year to raise funding for the re-development of the centre at Coldstream. This will increase the Centre's capacity to process more animals and become a State Of The Art facility for the care of and well-being of our animals. The Community Bank® branches in the Yarra Valley, along with Bendigo & Adelaide Bank Ltd have contributed in the initial phase to get the ball rolling.

Alison Burr, representing the Foundation tonight will expand more on this later.

Our partner, Bendigo & Adelaide Bank Ltd has continued to excel again. As well as announcing an outstanding result for the full-year profit, the last year has seen the Bank continue to record industry-leading customer satisfaction, advocacy results and rating upgrades.

But, I won't steal Mark's thunder; I will leave these accolades for Mark to cover later.

As part of the Community Bank® network, our company is proud to share in these achievements as recognition to our willingness to contribute to the community. We believe this has resulted in a high level of respect and trust of which we do not take lightly. A strong relationship with our partner Bendigo and Adelaide Bank Ltd is vital for the success of the Company, and I can assure you that the support team from Bendigo and Adelaide Bank is right behind us all the way.

On behalf of the Board, our sincere thanks must go to our Area Manager, Alison Burr, and the Regional Office support team for their ongoing assistance. Special thanks to Mark Nolan, our Regional Manager, whose support is immeasurable. Thank you Mark.

In closing, as shareholders, you are ambassadors of our Community Bank® branches and the tangible benefits they bring to "our communities". For those who are already enjoying the Community Bank® experience, I thank you for your support and encourage you to share this with your family and friends. To those shareholders who are not yet banking with the Mt Evelyn and Montrose Community Bank® branches; I urge you to please consider how the contribution of "your" banking business could further increase the growth of "our company". You may think that one small account wouldn't make a difference; well I can assure you that every account does make a difference and could enable us to grow the business further and thereby increase our profits back to our communities.

**Vale.**

On closing, I would like to acknowledge those Shareholders that have passed away this year. Some of whom were involved from the very beginning. You will be sadly missed.

Now, before we move back to the Agenda items, I would now like to announce that our dividend declared is 1.5 cents per ordinary share which will be paid to shareholders during December. The total dividend amount is \$44,101.22. Margi will discuss this further in the Treasurer's Report.

Thank you.

### **3. Ordinary Business**

#### **3.1 Receipt of Financial Report**

The first item of business is the consideration of the Company's Financial Statements and associated reports for the year ended 30 June 2011, which are now before the Meeting.

Are there any questions in relation to the Annual Report? Nil.

Moved: Jan Simmons. Seconded: Craig Keithley

#### **3.2 Election of Directors**

##### **a. Election of Rick Bayliss**

A Director appointed by the Board since the last Annual General Meeting with the Company's Constitution and being eligible, offers himself for election.

Moved: Rick Bayliss be elected as Director - Jan Simmons. Seconded: Margi Sank. Nil against.  
Declare resolution carried.

#### **b. Election of Georgia Donovan**

A Director appointed by the Board since the last Annual General Meeting with the Company's Constitution and being eligible, offers herself for election

Georgia addresses meeting – She is a local Mt Evelyn girl who has attended local schools and school abroad. Feels she can offer a lot of knowledge and youth perspective.

Moved: Georgia Donovan be elected as Director - Anita Morgan. Seconded: Jan Simmons. Nil against.

Declare resolution carried.

#### **Re-election of Director retiring by rotation**

##### **c. Re-election of Jill Rule**

A Director appointed by the Board since the last Annual General Meeting, retires in accordance with the Company's Constitution and being eligible, offers herself for election. As I am one of the Directors retiring and offering myself for re-election, I am required by our Constitution to hand this part of the proceedings over.

Jan Simmons, a Director of our Company, has kindly offered to take over the meeting.

Jan Simmons takes over Chair.

Moved: Jill Rule be re-elected as Director – Paula Herlihy. Seconded : Annette Stone. Nil against.

Declare resolution carried.

Jill Rule resumes Chair.

##### **d. Re-election of Margi Sank**

A Director appointed by the Board since the last Annual General Meeting, retires in accordance with the Company's Constitution and being eligible, offers herself for election.

Moved: Margi Sank be re-elected as Director – Craig Keithley. Seconded: Arch Carswell. Nil against.

Declare resolution carried.

##### **e. Re-election of Gai Williams**

Unfortunately, Gai is unable to be here tonight but has asked to have to a letter read out for her.

*“ Having served my first term as a director of Mt. Evelyn & Districts Financial Services, I am even more enthusiastic about the community bank model than I was before! I have been a part of the birth of the Montrose branch and we are about to celebrate our first birthday. As a business person I know how tough the financial markets have become and a model that delivers profits back to the local community simply makes perfect financial and moral sense.*

*I feel I bring business and local experience to the board table and I relish the opportunity to develop and progress the success of our business model for our local area.*

*I offer myself for another term of office and promise to work hard to deliver profits to benefit both shareholders and local community groups “*

Moved: Gai Williams be re-elected as Director – Craig Keithley. Seconded: Jan Simmons. Nil against.

Declare resolution carried.

### 3.3 Appointment of Auditor

As stated in the Annual Report we have engaged Richmond, Sinnott and Delahunty again to audit our Financial Accounts.

Moved: Appointment of Richmond Sinnott & Delahunty – Jack Chapman. Seconded: Annette Stone.

Nil against. Declare resolution carried.

### 3.4 Treasurer's Report – Margi Sank

Good evening all

It is a pleasure to present my 2011 Treasurer's Report.

This year continues to be challenging and inspiring. As Jill, David and others have attested it has been a year of continuing excellent banking service and extended community involvement.

During the 2011 Financial Year, we opened our second branch in the Montrose Township offering a full range of banking services. Thank you, again, to the many and varied people, who have indeed been inspirational in helping us achieve this fantastic milestone.

As many of you know, it is central to the community bank philosophy that banking profits are shared between the shareholders and the community in which we operate. Your board is mindful of its duty to honour and embrace this vision. In addition, our franchise agreement prescribes the maximum dividends payable by a community bank company to its shareholders.

Once again, at the start of the year, the Board and Management considered its obligations to both our shareholders and to the wider community. We knew that some in our community would be disadvantaged by the current economic environment, and that our income and therefore our profits would be less than in previous years.

We were mindful though, that our support to the community by way of sponsorship and grants could soften the negative impact of the downturn in the economy. Consequently, we continued with our philosophy to support many and varied community groups from tots to seniors. Jill has discussed previously some of these examples.

It is a testament to our community, the branch team, and their exceptional banking and customer service, that your company has been able to achieve positive results in the economic climate that exists and whilst developing our second branch.

When a new branch is opened, and while the banking business gets on the books, there are net losses made. This matter was addressed in the Montrose Prospectus. And, it was certainly the case when we initially set up the Mt Evelyn branch. Montrose has followed in the same manner. However, this being said, I am delighted to report, that the strong results for Mt Evelyn have offset the losses made by Montrose, delivering a combined net profit after tax of \$44,785. This result has been achieved without compromising our community grants and sponsorship program.

Since Mt Evelyn opened its doors to this point in time, your company has contributed over \$1.2.Million in grants and sponsorship.

In addition, to date, we have paid a total of just over \$382, 000 in fully franked dividends.

As you are aware, we have increased our shares issued by the issue of bonus shares to our previously existing shareholders and the raising of additional capital. We issued bonus shares to reflect the value of the company and so as to treat fairly the previously existing shareholders and new shareholders who were to take up shares under the prospectus. Our

shareholding increased during the 2010 Financial Year from 702,510 to just under 3 million shares.

The dividend we declare is equally applicable to all shares. The dividend pool last year was \$73,502 and the dividend per ordinary share was 2.5 cents. As a result of our positive result for the 2011 Financial Year, we have been able to continue our dividend payment program and therefore declare a fully franked dividend of 1.5 cents per ordinary share.

The total dividends to be paid since incorporation are therefore approximately \$427,000.

And to the future.....Montrose has now opened its doors and the banking business is accumulating. Initially, and as outlined in the prospectus, it will take some time for Montrose to achieve profitability. Consequently, we expect the profit for the company to be reduced until Montrose achieves profitability and there may be continued reduction in dividends that are able to be paid.

In our continuing operations, we continue to evaluate and where prudent implement our expansion strategies and opportunities with additional business and locations.

We are mindful of our joint obligations, to both shareholders and community, and the fact that sponsorship in the community helps us to grow our business and therefore our revenue and profits from which to pay dividends.

Consequently, we will continue to make significant grants and sponsorships within the community either in our own right or partnering with other community banks and government agencies. Some of our contributions benefit many; whilst some are targeted at smaller groups.

Through our operations, we contribute to enhance the health and vibrancy of our communities. We do this by the sponsorships we pay, our grants program, the dividends we pay, and our employment of a fantastic team.

There is the multiplier effect of the dollars we spend. Last year, we spoke about the fact that the dollars your company contributes is retained and spent locally, creating more work and opportunities for the community. We help the many volunteers in local community organisations multiply those dollars. We also continue to employ ten full time and part time employees at the Mt Evelyn and three at Montrose. These wonderful people live in our communities and also help support local business, and further increase the flow-on effect.

We continue to be listed on the Bendigo/National Stock Exchange. You are able to use the internet to review various financial and non financial information relating to our company and other Community Banks. Shares can be traded through stock brokers.

In closing, thank you to all our various stakeholders, Bendigo and Adelaide Bank Community Network, our local government, our banking customers, you, our shareholders, a dedicated and skilled board of directors, and most importantly the most wonderful team at the banks. Thanks to David, my fellow board members and all of the team.

Thanks to you all.

#### **4. Guest Speakers**

##### **Mark Nolan - Regional Manager Yarra Ranges.**

Mark speaks of how the Community Bank® branches have given back more than \$58million to local communities since 1998, \$10million in the Yarra Ranges alone. He tips the return will top \$100million in the next few years. Board can focus more on the community aspirations. The retail network continues to grow. The success motivates other communities to join the concept.

Our strength comes from focusing on our customers. The Community Bank® model makes a difference and he is thankful for the opportunity to partner communities.

### **David Watt - Senior Group Manager**

David welcomes everyone. Thank you for the teamwork and shareholders, Regional Office, Alison, the Board and Branch Staff. Couldn't do it without everyone's support.

David is thankful for the hard working team at the two branches; Leanne at Mt Evelyn, Kevin at Montrose and at the frontline, Sue, Kaye, Janet, Sharon and Shirlene, Melissa, Bev and Jan behind the scenes.

David thanks Mt Evelyn Rover Scouts, Georgina, Natalie and Jason, for helping in the kitchen.

### **The Hon. Tony Smith - Federal Member for Casey**

Well done and congratulations to everyone. Tony reflects back to when branches were just an idea. It is obvious to see the commitment to the community and the involvement by the Community branches. Every community aspect you see, you see that Bendigo Bank is involved and that a difference can be made. Targets can be set and you can have some control over the future. The work being done is first class. There are many benefits to the local and national economy. We are providing important competition in the Banking Sector. As a Politician, he has never had a complaint from a Bendigo Bank customer; it has always been positive feedback. Congratulations and he looks forward to being involved in the coming years.

### **5. Allan Grundy Youth Award**

In 2009, a perpetual award was established in the name of our inaugural Chairman, Allan Grundy. We have been asked by the school not to announce the name of this year's recipient until the School's Awards Night coming up shortly. The receiver this year is passionate about supporting the community in general, but especially those in the community who suffer from a disability. The recipient is currently working on a well being day at school to enlighten able-body students, what is like to be disabled and has also been involved with running BBQ'S to raise funds to support youth mental health. Also, choosing to attend the Mt Evelyn Special Development School in place of a subject. A very worthy and inspiring young person indeed.

We will present the award at the School's Awards Night in December.

### **6. Grants Presentation - Alison Burr, Area Manager Bendigo & Adelaide Bank Ltd**

Congratulations to all. Jill and Board, David and team. A fantastic partnership which grows stronger and stronger. On behalf of the Community Enterprise Foundation™, Andre Clayton sends his apologies. Mt Evelyn has been with CEF since 2006 and has helped out 87 grant recipients – youth, sporting and community groups, a fantastic effort.

Alison speaks of a huge project with Vic Animal Aid which Bendigo Bank has put funds towards. Project is \$26 million dollars and we will be hearing a lot about it as there will be an appeal to help support it. It has come from the initiatives of Community Bank®

Congratulations and we are proud to be a part of it.

### **Grants Presentations**

Mt Evelyn Township Improvement Committee  
Mt Evelyn Special Development School  
Mt Evelyn Township Improvement Committee  
Mt Evelyn Township Improvement Committee  
Mountain Top Toy Library  
Hills Community Child Care  
Morrison House Inc.  
Lions Club of Montrose and District  
Mt Evelyn Scout Group  
Mt Evelyn Scout Group  
Mt Evelyn Memorial Pre-School



Fernhill Pre-School

**Sponsorships**

Mt Evelyn Martial Arts  
Silvan Progress Association

**Directors Badges**

Rick Bayliss and Georgia Donovan are presented with their Director's badges.

**7. General Business - Nil**

**8. Close of Meeting**

Chair thanks everyone for their attendance and invites all present to join in some light refreshments.

Special Thanks to Mt Evelyn Rovers for helping in the kitchen.

Meeting closed at 8.35 pm.

**Confirmation of Minutes**



Jill Rule

Chair

24<sup>th</sup> November 2011