

## Proposed Acacia Ridge Community Bank® Branch of Bendigo Bank Limited.



### IMPORTANT NOTICE

This Prospectus is dated 29 September, 2005. A copy of this Prospectus has been lodged with the Australian Securities and Investments Commission (ASIC). Application will be made within seven days for listing of the Company and quotation of the Shares on the Bendigo Stock Exchange Ltd (BSX). Neither ASIC nor the BSX take any responsibility for the content of this Prospectus. The fact that the BSX may admit the Company to the BSX official list and quote the Shares is not to be taken in any way as an indication of the merits of the Company or of the Offer.

This Prospectus is an important document. Before deciding to invest in the Shares offered under this Prospectus, you should read the Prospectus in its entirety (especially the risk factors) and carefully consider your own personal circumstances (including financial and tax issues). You should also obtain the advice of your solicitor, accountant or other financial adviser.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus and any information or representation not contained in the Prospectus may not be relied upon as having been authorised in relation to the Offer. No assurance is given that any forecast or prospective information made in this Prospectus will be achieved.

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## **Letter from Acacia Ridge Financial Services Limited**

Dear Investor

Thank you for your interest in the proposed Acacia Ridge Community Bank® Branch of Bendigo Bank.

We are pleased to offer you the opportunity to invest in a project which we believe will deliver significant social and economic benefits to our region, as well as the prospect of positive returns to its shareholders. In keeping with these dual aims, the amount of profits that can be distributed to shareholders is limited and, in addition, shareholders are required to have a close connection to the Acacia Ridge community to hold shares in the Company. This is explained in detail in this Prospectus.

This Prospectus outlines your opportunity to assist in raising funds for the establishment and operation of a Community Bank® Branch of Bendigo Bank. The Community Bank® Branch is to be established as part of the Bendigo Bank Community Bank® project, the terms of which are outlined in this document.

I encourage you to read the Prospectus closely and seek professional advice, so that you might base your investment decision on a clear understanding of the nature and prospects of the business.

The Directors intend to apply for listing of the Company and quotation of the Shares on the Bendigo Stock Exchange, in order to facilitate a secondary market for the trade of Shares (subject to the rules regarding share ownership described in this Prospectus). Further details on this are set out in this Prospectus.

Our decision to proceed with this capital raising was based on a survey in which local people and businesses indicated the banking business they would bring to a locally-owned branch. This indicative support formed the basis of a business plan which, if achieved, shows the enterprise has solid prospects of generating positive returns for investors. We are further heartened by the experience of many of the other Community Bank® Branches of Bendigo Bank which have been enthusiastically embraced by their communities.

The Acacia Ridge Community Bank® Branch of Bendigo Bank affords our community the chance not only to secure branch banking services, but to improve our long-term prospects by retaining greater control over the district's capital resources. I commend the investment to you.

Yours sincerely,

Vicki Maguire  
Chairman, Acacia Ridge Financial Services Limited

## Letter from Bendigo Bank Limited

Dear Investor

Acacia Ridge Community Bank® Branch - Bendigo Bank". The prospect of seeing that sign fills me with pride and I hope it does the same for you.

By owning shares in Acacia Ridge Financial Services Limited, you will help secure banking services for your community and also share in the prospect of income which can be used to generate further development in your region.

Why has Bendigo Bank developed this concept? Because we are a community based bank ourselves and by helping to create successful communities we will share in your success.

Bendigo Bank will work with you to maximise the potential of your new branch and will help you every step of the way. However, as for any business, the success of your community company is ultimately based on the support it receives from its customers – which in this case is the Acacia Ridge community.

Members of your community have already indicated their intention to support the branch with their banking business. Now is your chance to support it through investing in Acacia Ridge Financial Services Limited. This Prospectus provides you with information you need to make an informed choice.

Your commitment will help make a difference to your community.

We look forward to meeting you at the opening of the Acacia Ridge Community Bank® Branch of Bendigo Bank



Russell Jenkins  
Chief General Manager Retail and Distribution  
Bendigo Bank Limited

## 1. Purpose and Details of the Offer

### 1.1 Purpose of the Offer

The purpose of the Offer is to raise funds for the capital expenditure and working capital requirements in respect of a Community Bank® Branch of Bendigo Bank to be established in Acacia Ridge. Details of the establishment costs and estimated initial annual operating costs are set out in Section 4.5 of this Prospectus.

The Company will establish and manage the Community Bank® Branch as a “franchise” of Bendigo Bank. The franchise arrangements and the business of the Company are described in detail in this Prospectus, especially Sections 3 and 6.

Please Note: This is not an offer to subscribe for shares in Bendigo Bank - it is an offer to subscribe for shares in the Company.

### 1.2 Description of the Offer

The Company is offering for subscription 500,000 ordinary shares in the Company (Shares) at an issue price of \$1.00 per Share, payable in full on application.

Applications for Shares should be for a minimum of 500 Shares, or a greater number of Shares in multiples of 100, up to a maximum of 20,000 Shares. However, the Directors reserve the right to accept applications for fewer than 500 Shares or (subject to the maximum permitted shareholding - see Sections 1.3 and 7.3 below) greater than 20,000 Shares.

The Directors reserve the right to accept oversubscriptions of up to 200,000 Shares. Proceeds from oversubscriptions will be used to provide additional working capital for the Company.

The amount of dividends and other distributions to shareholders that the Company may make in any 12 month period is limited by the terms of the

Franchise Agreement with Bendigo Bank. You should refer to Section 5.2 of this Prospectus for a description of this limit.

Applicants should be aware of the voting and ownership restrictions that apply to the Company, including the Directors right not to accept applications in breach of these restrictions (see Section 1.4 below).

### 1.3 Capital Structure

Assuming the Offer is fully subscribed (and assuming no oversubscriptions are accepted) the capital structure of the Company following completion of the Issue will be as follows:

Ordinary Shares	
Initial subscriber shares issued to the directors	7
Shares issued pursuant to this Prospectus	500,000
TOTAL	500,007

If the maximum permitted amount of oversubscriptions is accepted, the capital structure of the Company following completion of the Issue will be as follows:

Ordinary Shares	
Initial subscriber shares issued to the directors	7
Shares issued pursuant to this Prospectus	700,000
TOTAL	700,007

### 1.4 Voting and Ownership Restrictions

It should be noted that, pursuant to the Constitution of the Company, each shareholder is entitled to only one vote, regardless of the number of Shares held.

The Constitution also contains a number of restrictions on shareholdings.

For example, a shareholder will not be able to control or own 10% or more of the Company, and the Directors have the power to refuse to register a transfer of Shares to a person who does not have, in the opinion of the Directors, a close connection with the Acacia Ridge community.

The Directors reserve the right to not accept any application if it appears the applicant would be in breach of these restrictions.

In addition, the Directors have the power to refuse to register a transfer of Shares if the result would be to reduce the number of shareholders below a “Base Number” (see Section 7.3 below). However, this Base Number restriction will only come into effect if the Bendigo Stock Exchange gives its approval.

The voting rights attaching to Shares and the ownership restrictions are discussed further in Sections 7.2(a) and 7.3 below. You should note that where a person is or would be in breach of these restrictions, the Directors not only have the power to refuse to register a transfer but the voting and dividend rights attaching to the relevant Shares are suspended and the Directors have the power to require a divestment of the relevant Shares (see Section 7.3 below).

### **1.5 Minimum Subscription**

The Company must receive applications (and payment) for at least 500,000 Shares in order for the Offer to proceed. Shares will not be issued unless this condition is satisfied. If this minimum subscription is not reached by the date (the Four Month Date) which is four months from the date of this Prospectus, no Shares will be allotted and all application monies received will be returned to the Applicants (without interest) as soon as practicable after the Four Month Date. See sections 1.6, 1.7 and “Franchise Arrangements” in Section 3.2 below for further information on the minimum subscription requirement. This Offer is not underwritten. Please also note that no Shares will be allotted or issued if the Shares do not receive permission for official quotation with the Bendigo Stock Exchange within three months from the date of this Prospectus, unless ASIC grants an exemption (see Section 1.6 below).

### **1.6 Allocation**

Application moneys will be held on trust by the Company in a separate bank account which has been established by the Company for the purposes of the Offer. This money will be held on trust by the Company until the Shares are issued or the money is returned, as required by the Corporations Act, to the Applicants.

The Company may allocate the full number of Shares applied for by an Applicant or may allocate any lesser number or decline any application.

Where no allocation is made or where the number of Shares allocated is less than the number applied for, the surplus application money will be returned to the Applicant without interest as soon as practicable.

### **1.7 Listing on the Bendigo Stock Exchange**

Application will be made within seven days of the date of this Prospectus for listing of the Company and quotation of the Shares on the Bendigo Stock Exchange. Please see Section 5 of this Prospectus for a discussion of the risk factors relevant to quotation of the Shares and Section 7.9 for a discussion of the waivers and confirmations the Company requires from the Bendigo Stock Exchange. Admission to listing, quotation of the Shares and the granting of the necessary waivers and confirmations sought is at the absolute discretion of the Bendigo Stock Exchange, and so there is no guarantee that they will occur (though please see Section 7.10 for further information).

If the Bendigo Stock Exchange does not grant permission for official quotation of the Shares within three months after the date of this Prospectus, none of the Shares offered under this Prospectus will be allotted or issued unless ASIC grants the Company an exemption permitting the allotment or issue. If no allotment or issue is made, all money paid on application for the Shares will be refunded without interest as soon as practicable.

### **1.8 How to Invest**

An application for Shares can only be made on the Application Form in this Prospectus (or on a copy made from that form, but only if the copy was made by the Applicant). The Application Form (or the copy) must be completed in accordance with the instructions set out in “Application Details and Instructions” commencing towards the end of this Prospectus. The terms and conditions in the Application Form form part of this Prospectus.



## 1.9 Important Dates

An indicative timetable for the Offer is set out below.

Event	Date
Offer opens:	18 October 2005
Offer closes	18 November 2005
Shares expected to be allotted:	16 December 2005
Listing on BSX	16 December 2005
Certificates expected to be dispatched:	9 January 2005

**These dates are indicative only and are subject to change. The Company has the right, in its absolute discretion, to close the Offer early or to extend the closing date, without notice. If the closing date for the Offer is extended, the subsequent dates may also be extended accordingly.**

## 1.10 Expiry Date of this Prospectus

No Shares will be issued on the basis of this Prospectus after the Expiry Date. The Expiry Date is the date 13 months after the Date of this Prospectus.

## 1.11 Accepting Applications

The Company will not accept an application for, or issue any, Shares offered under this Prospectus until the Exposure Period has ended. The Exposure Period is the period of seven days after lodgment of this Prospectus with ASIC or if ASIC, in accordance with the Corporations Act, extends that period, such longer period. At present, ASIC is not permitted to extend the Exposure Period to more than (in total) fourteen days after the lodgment of this Prospectus.

Accordingly, the Company will not process any applications received until after the Exposure Period and no preference will be conferred on applications received in the Exposure Period.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. It is possible that this examination may result in the identification of deficiencies. Any application received in these circumstances may need to be dealt with in accordance with section 724 of the Corporations Act (this section may require, in certain circumstances, the return of application money and/or the distribution of a supplementary or replacement Prospectus together with the right of an applicant to withdraw their application).

## 2. Directors

Details of the Directors of the Company are as follows:

**Name** Victoria Louise Maguire  
**Date of Birth** 1 October 1948  
**Occupation** Licensed Post Office Operator

### Background information

Vicki was born in Waratah, NSW. Vicki graduated with a M.A. (Psychology) from University of Sydney. She tutored in Psychology at the University for three years before moving to Brisbane in 1974 where she worked as a Clinical Psychologist up until 1982. She has been involved in small businesses since 1982. From 1982 to 1987 she and her husband restored and operated the historic Grand View Hotel at Cleveland. Since 1988 she has operated small businesses in the Acacia Ridge area, including the newsagency and currently the Post Office. She is active with local business and government organizations. Vicki has interests in commercial real estate in Acacia Ridge and is currently the chairman of the body corporate of the Elizabeth Street Shopping Centre. Vicki is also the practice manager of her husband's specialist medical practice. She has four adult children.

**Address** 33 Vivian Street  
Tennyson Qld 4105

**Name** Linda Anne Beaumont  
**Date of Birth** 27 October 1958  
**Occupation** Community Pharmacist/  
Managing Partner Elizabeth Street  
Chemmart Day & Night Pharmacy

### Background information

Linda was born in Laidley, Queensland and grew up on an agricultural farm. She graduated from the University of Queensland in 1978 in Pharmacy and worked in retail pharmacy, managing pharmacies in Inala and Woodridge. She worked in Westminster Hospital, London whilst overseas in 1981.

She has been heavily involved in softball, both as a player and also in many committees at various levels. She was President of the University of Queensland Softball Club from 1996 to 2001 and also the Director of Finance for the South Brisbane Softball Association Inc. in 1997/1998. In 1999 Linda started business in partnership at the Elizabeth Street Chemmart Day & Night Pharmacy, Acacia Ridge. She also runs the Bendigo Bank on-line agency. Linda is a Commissioner for Declarations (2004). She is also a member of various organisations including Australian and British Pharmaceutical Societies, Pharmacy Guild and Acacia Ridge South Medical Services collaborative. Linda is married and has two sons.

**Address** 247 Grassdale Road  
Gumdale Qld 4154

**Name** Peter Geoffrey Henderson  
**Date of Birth** 2 May 1946  
**Occupation** Accountant

### Background information

Peter Henderson was born in Brisbane in 1946 and spent most of his early years and schooling in the Acacia Ridge area. His first job was in banking although his 15 years service was interrupted by National Service between 1968 and 1970. Peter then worked for the Uniting Church in Queensland in a finance role for nearly 12 years, followed by a short stint in real estate (finance role). During the 1990s, Peter was involved with an electrical wholesaling group as Finance Director and part owner. Since 2001, he has owned a financial planning business and in 2004 purchased an accounting practice in Algeester.

Peter is involved in community work as Chairman of DrugArm Australasia and has been a director of a number of non-profit community organizations. He holds professional membership in several bodies including CPA Australia. He has a Bachelor of Business Degree and Graduate Diplomas in Management and in Applied Finance and Investment. Peter is married with three children.

**Address** 112 Bleasby Road  
Eight Mile Plains Qld 4113



**Name** Paul Douglas Knight

**Date of Birth** 3 May 1974

**Occupation** Chiropractor

**Background information**

Paul was born in Melbourne Victoria. He completed a double degree in Chiropractic at RMIT in Melbourne and has worked as a Chiropractor in Lismore, Kingscliff and Brisbane. Paul established his own Chiropractic Practice in Acacia Ridge in 1998 and has been an active member of the community ever since. In 1999 Paul established a second practice in Belmont and now splits his time between the two clinics.

Originally from country Victoria Paul followed his family to Queensland. He is a member of the Archerfield Rotary Club, Sporting Shooters Association of Queensland and the Chiropractors' Association of Australia. In his spare time he enjoys golf and tennis.

Paul is married and has two sons.

**Address** 18 Manor Crescent  
Wakerley Qld 4154

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**Name** Joan Margaret Rae

**Date of Birth** 20 February 1947

**Occupation** Leaflet Delivery Business

**Background information**

Joan was born in Manchester England in 1947. She arrived in Australia aged 2 years, and is an Australian Citizen.

Upon leaving Secretarial College she was employed at Festival records, in the days of Johnny O'Keefe, Col Joye, Judy Stone and the like.

She moved to The Entrance NSW in 1973 after purchasing a Milk Run with her husband.

In 1985 Joan moved to Queensland with her family. Joan is a very community minded person willing to help out wherever there is a need. She has been involved with Guiding Australia for 25 years, holding most positions within the support group. Joan is a Charter Member of the Lions Club of Algester Parkinson Inc. and is currently serving her second term as President.

Joan is married and has three daughters and two granddaughters.

**Address** 39 Booyong Street  
Algester Qld 4115

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**Name** Trevor Maurice Loft

**Date of Birth** 29 May 1942

**Occupation** Minister of Religion

**Background information**

Trevor was born in Ballarat, Victoria. His family moved to Queensland in 1950. After leaving Kedron High School Trevor began a career in auto spare parts. Over the years he progressed into the field of specialised equipment in the Automotive Engineering Industry attending training courses in Germany and the U.K. In 1975 Trevor purchased a major service outlet in the automotive industry. In 1982 he entered Bible College with his wife. He has held pastorates in Auchenflower and Mitchelton for over ten years and has been at Acacia Ridge in the same capacity for the past nine years. Trevor is married, and has two adult children and seven grandchildren, with whom he enjoys a close relationship.

**Address** 31 Cassowary Street  
Doolandella Qld 4077

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**Name** Mark Ledwidge

**Date of Birth** 18 February 1956

**Occupation** Optometrist

**Background information**

Mark was born in Mexborough Yorkshire, England. Mark was 14 when his parents, three sisters and himself emigrated to Australia in 1970. He graduated from QUT, Gardens Point in 1985. He has been an optometrist in Acacia Ridge for 20 years. Approximately 12 years ago he purchased the practice to become the sole practitioner in Acacia Ridge. He joined the Rotary Club of Archerfield in 1995 and is active with fundraising projects to help the community. Mark is married to Brenda who is his receptionist and they have three sons.

**Address** 22 Dorset Street  
Ashgrove Qld 4060

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### 3. Bendigo Bank Franchise

#### 3.1 Bendigo Bank

Bendigo Bank had its origins on the Bendigo goldfield in 1858 when the settlement comprised thousands of makeshift tents and humpies clustered along the gold bearing gullies. Disturbed by the temporary and unsightly nature of these dwellings, a group of prominent citizens banded together to foster a sense of civic pride by providing finance for miners wishing to own their own homes. Thus was born the Bendigo Land and Building Society, which immediately began financing humble miners' cottages, some of which remain in the city today.

Within 30 years, Bendigo had established itself as one of the most gracious Victorian era cities in the world, its grand public buildings a monument to the vast riches produced by the deep reef miners.

As Bendigo prospered, so did its building society, which rapidly established a reputation for prudent financial management and ethical dealing. While other societies came and went, the Bendigo Land and Building Society grew steadily, declaring a profit in each year of its operation, even through the crises of the 1890s and 1930s Depressions.

Bendigo Bank converted to a bank on 1 July 1995, at which time it was Australia's oldest and Victoria's largest building society.

The past 20 years have seen the Bendigo Land and Building Society, now Bendigo Bank, grow quickly and in the process merge with a number of other firms and building societies: the Bendigo and Eaglehawk Star (1978), Sandhurst (1983), Sunraysia (1985), Capital (1992) and Compass (1992), trustee company Sandhurst Trustees (1991), mortgage securitisation firm National Mortgage Market Corporation (1995), Monte Paschi Australia Limited (1997) and Victorian Securities Corporation Limited (1997). Sandhurst Trustees, National Mortgage

Market Corporation, Monte Paschi (now Cass Comm Limited) and Victorian Securities Corporation Limited are wholly-owned subsidiaries of Bendigo Bank, as is the financial planning arm Bendigo Investment Services. Bendigo Bank also operates a joint venture, with Elders Limited, called Elders Rural Bank. This joint venture is aimed at bringing banking services to farmers throughout Australia. In October 2000, Bendigo Bank acquired the Queensland-based First Australian Building Society, which has since been integrated into Bendigo Bank.

The Bendigo Group now operates (itself and through franchises) approximately 309 branches and has assets of around \$15.6 billion. It is listed on the Australian Stock Exchange and is the only Australian bank with headquarters outside a capital city. Through Bendigo Bank and its subsidiary companies, the Bendigo Group provides a wide range of products including home loans, commercial mortgages, unsecured loans, investment products, insurance and superannuation.

#### 3.2 Community Bank® Project

Bendigo Bank developed its Community Bank® project in response to the continuing closure of bank branches across Australia, and the subsequent effects on disenfranchised communities.

A Community Bank® is a means by which communities with the will and enthusiasm can enhance their future prospects by securing a conduit to the finance system.

The aims of the Community Bank® project are threefold:

- to secure branch banking services for participating communities;
- to help these communities better manage locally-generated capital, and so provide them with a better return on their capital; and
- to enable participating communities to share in revenues generated from their Community Bank® enterprise.

Community Bank® draws on the greatest strength communities possess – their parochialism.

Through the potential to share in branch revenues, communities have the

opportunity to generate profits which can be returned to support and develop the community via dividends to participating shareholders and through projects identified by the community and agreed to by the company.

The Community Bank® project does this by providing communities with the opportunity to manage a community-owned branch of Bendigo Bank. It supposes that ownership of this management right provides local residents and businesses with a powerful incentive to conduct their financial affairs through their own local bank branch, thereby maximising revenue potential for the local enterprise.

Each branch operates as a franchise of Bendigo Bank, using the name, logo and system of operations of Bendigo Bank. The franchisees are appointed as 'authorised representatives' of Bendigo Bank for the purposes of the Corporations Act and manage the Community Bank® Branches on behalf of Bendigo Bank, however all transactions with customers conducted through the Community Bank® Branches are effectively conducted between the customers and Bendigo Bank.

To date, Bendigo Bank has granted around 159 franchises to Community Bank® Branches, located in places such as Avoca, Bayswater, Biggera Waters, Carrum Downs, Coleambally, Cooroy, East Gosford, Elwood, Gympie, Henty, Kulin, Lang Lang, Maldon, Margate, Minyip and Rupanyup (combined franchise), Nathalia, Paradise Point, Parkdale, Tambellup and Cranbrook (combined franchise), Sarina, Toora, Tugun, Upwey, Virginia, Warburton and Yarraman. Bendigo Bank has also granted a number of commercial franchises.

### **Regulation of Franchising**

The relationship between Bendigo Bank and the Company as franchisor and franchisee is governed by the Franchising Code of Conduct (Franchising Code).

The Franchising Code is a mandatory industry code of conduct for the purposes of Section 51ACA of the Trade Practices Act 1974 (Cth) (TPA). Section 51AD of the TPA makes a contravention of the Franchising Code a contravention of Part IVB of the TPA.

The Franchising Code requires a franchisor to provide a prospective franchisee with a disclosure document, to enable the prospective franchisee to make a reasonably informed decision about entering into the franchise. The Franchising Code prescribes the information that must be included in the disclosure document. Such a disclosure document has been provided by Bendigo Bank to the Company.

The Franchising Code requires that, prior to entering into a Franchise Agreement with the Company (see below), Bendigo Bank must have obtained from the Company a statement that the Company has received, read and had a reasonable opportunity to understand the Disclosure Document and the Franchising Code and statements as to whether the Company has obtained independent legal, accounting and business advice. The relevant statements have been provided to Bendigo Bank by the Company.

### **Franchise Arrangements**

The Company has entered into a Franchise Agreement with Bendigo Bank that will govern the management of the Community Bank® Branch at Acacia Ridge. A condition to the Franchise Agreement is that the Company raises the minimum subscription amount of \$500,000 pursuant to the Issue and applies for listing and quotation on the Bendigo Stock Exchange (as contemplated by Section 1.7 above).

The key features of the franchise arrangements are described below, and in Section 6 of this Prospectus.

## **3.3 Duration of Franchise**

Bendigo Bank has granted the Company the franchise rights described below for an initial term of five years. Pursuant to the Franchise Agreement, the Company may seek to extend the term of the franchise for (in total) two additional five year terms. A request to extend the term of the Franchise Agreement must be made between 3 and 6 months prior to the end of the then existing term. Bendigo Bank must agree to extend the term provided that the Company:

- is not in breach of the Franchise Agreement;

- secures continued rights to possession and use of each location from which the franchise is being conducted for the renewal period, and refurbishes each such location to the then current standards of Bendigo Bank franchises;
- provides the relevant statement required under the Franchising Code; and
- pays the Renewal Fee under the Franchise Agreement and Bendigo Bank's costs of renewing the Franchise Agreement.

These conditions must be satisfied at the end of the initial term and, if the franchise is extended for the first five year period, at the end of that first renewal period.

Bendigo Bank has the ability to assign or novate its rights and obligations (or any part of them) under the Franchise Agreement at any time. However, Bendigo Bank must not assign its obligations (without the consent of the Company) unless the proposed assignee is either a related body corporate of Bendigo Bank, a person whose business includes the provision of financial services (and it is reasonable to expect that the person will be able to comply with its obligations under the Agreement) or a person who has entered into arrangements with Bendigo Bank and/or any of the foregoing, so as to enable that person to comply with its obligations under the Franchise Agreement. In any event, any assignee would have to continue to perform Bendigo Bank's obligations under the Agreement.

The Company may only dispose (in any way) of, or otherwise effect or permit a change of control or ownership of, the franchise, the Company or the Company's interest in the franchise operation, the Franchise Agreement or the branch location with the prior written consent of Bendigo Bank and with the payment of a transfer fee to Bendigo Bank.

Bendigo Bank also has a pre-emptive right over the sale, transfer or disposal of the Company's interest in the franchise operation or the branch location.

The consequences of the termination of the franchise are discussed in Section 5.2 below.

### 3.4 Activities of Company

#### Branch

The Company will establish a Community Bank® Branch of Bendigo Bank in Acacia Ridge. A lease has been negotiated for a site at Lot 5/28 Elizabeth Street (located within the Elizabeth Street Shopping Centre), Acacia Ridge for the term of the franchise, and estimated rental costs have been included for the purposes of the forecasts.

It is proposed that the branch will be open from 9.00am to 5.00pm on Monday to Friday, and from 9.00am to 12 noon on Saturdays, except Queensland Public Holidays.

It is possible, with Bendigo's consent, to operate the proposed Community Bank® Branch from a site in addition to, or in substitution of, the current proposed site. However, the Directors have no intention to do so at this stage.

#### Manager and Employees

It is envisaged that a Branch Manager and a number of Customer Service Officers will be employed by the Company. All employees must be first approved by Bendigo Bank. It is also possible that staff will be seconded from the Bendigo Group.

#### Financial Products and Services

The Company will provide a range of financial products and services determined by Bendigo Bank from time to time.

The products and services will include (but are not necessarily limited to) the following:

- deposit business, for example, "Ultimate" accounts, term deposits, "Money Extra", "Classic" accounts, investment accounts and specialised rural accounts;
- personal bank products and services, for example, credit and debit cards, insurance and financial planning;
- loans and lending products, for example, home loans, investment loans, home equity loans, leasing, commercial loans, farm loans and personal loans;
- investment products, such as superannuation, Sandhurst Select

products and common fund and tax-based savings products; and

- cash and cheque facilities, delivered through electronic means and ATM services.

All deposits are made with Bendigo Bank, and all personal and investment products are products of Bendigo Bank, with the Company facilitating the provision of those products.

All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo Bank, must be approved by Bendigo Bank. All credit transactions are made with Bendigo Bank, and all credit products are products of Bendigo Bank.

The products and services available to be offered through the Acacia Ridge Community Bank® Branch by the Company will not necessarily be the same as those offered by other Bendigo Bank branches or franchises. However, the Company will endeavour to ensure that the products and services offered will be appropriate for the requirements of its customers.

#### **Other Products and Services**

In addition, the Company can offer or promote other products and services under agreements with members of the Bendigo Group if Bendigo Bank has given its prior consent. In particular, the Directors envisage that the Company may enter into a referral agreement with a member of the Bendigo Group under which the Company will, in return for a commission, offer and promote to the community non-banking products and services offered by that group member.

These products and services may, for example, include telecommunications services and a community exchange™ internet portal. The Company does not anticipate that it will be required to accept any credit risk under these arrangements.

### **3.5 Benefits of Franchise Arrangements**

#### **Name, Logo and Systems**

As part of the franchise arrangements, Bendigo Bank grants the Company the

right to use its name, logo and system of operations and other relevant intellectual property rights including the trademarks “Community Bank” and “Community Banking” for the purpose of managing a Community Bank® Branch of Bendigo Bank. To the extent that it is able, Bendigo Bank will also give the Company reasonable access to all information and technology created or obtained by Bendigo Bank in connection with other franchises.

The Company will have the benefit of all general advertising and promotions undertaken by Bendigo Bank, in addition to the local promotional activities undertaken by the Company itself (in accordance with the controls set out in the Franchise Agreement).

#### **Assistance and Advice**

Bendigo Bank will provide significant assistance in establishing and maintaining the Acacia Ridge Community Bank® Branch franchise operations including:

- advice and assistance in relation to the design, layout and fitout of the branch office;
- training for the Manager and other employees in banking, management systems and interface protocol; and
- assistance in the launch of the Community Bank® Branch.

Bendigo Bank will continue to provide ongoing management operation and support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

#### **Non-exclusive Franchise**

The franchise granted under the Franchise Agreement is a non-exclusive franchise. That is, any member of the Bendigo Group is able to carry on any business (including the granting of franchises) anywhere. Further, Bendigo Bank (for example, through branches), any related body corporate of Bendigo



Bank and any Bendigo Bank franchise are entitled to be located anywhere and to market to, or deal with, persons located anywhere.

Similarly, although the franchise operation can only be carried on from a location approved by Bendigo Bank, the Company is entitled to market to, or deal with, persons located anywhere.

### **3.6 Restrictions on Operations**

#### **Sole Purpose Company**

The Franchise Agreement provides that, subject to the ability to provide certain other products and services (see below), the Company must not carry on any business other than managing and operating the Acacia Ridge Community Bank® Branch of Bendigo Bank, and it must not own or use any assets, or incur any liabilities, other than those required by the franchise operation.

The Company may offer or promote other products and services pursuant to an arrangement with a member of the Bendigo Group if Bendigo Bank has given its approval for such services to be carried out by the Company.

#### **Competition Restrictions**

The Company is also subject to covenants that restrict its activities both during the term of the franchise, and for a further three years after the franchise has terminated.

Pursuant to these covenants (contained in the Franchise Agreement), the Company must not:

- have any interest in an entity carrying on business that is substantially the same as that conducted by Bendigo Bank through its franchises, or is in competition in relation to that business or in relation to any other business carried on by the Bendigo Group;
- seek to attract any customers or employees from Bendigo Bank or any of its franchisees; or
- otherwise interfere with the business being conducted by Bendigo Bank.

Similar restrictions apply to the Directors of the Company.

#### **Bendigo Bank Involvement**

Bendigo Bank will retain a tight control over the day to day operations of the Company, including the provision by the Company to Bendigo Bank of regular and detailed reports. Bendigo Bank also has the right to inspect or audit the franchise records.

In particular, as noted above, the products and services to be supplied through the Company will be determined by Bendigo Bank. As described in Section 3.4 above, all credit transactions must be approved by Bendigo Bank.

Further, the Company must only use Bendigo Bank's intellectual property (including its trademarks) licensed to the Company under the Franchise Agreement in accordance with the guidelines provided by Bendigo Bank.

The Company will also be appointed as an 'authorised representative' of Bendigo Bank pursuant to a separate authorised representative appointment (see Section 7.4 below).

### **3.7 Community Interest**

A significant amount of work and public consultation has been undertaken in relation to the feasibility of establishing the Acacia Ridge Community Bank® Branch of Bendigo Bank.

A group of interested community members was briefed by Bendigo Bank on 1 February 2005 in relation to the proposal to establish Acacia Ridge Community Bank® Branch, and a committee formed to evaluate the proposal.

A preliminary public meeting was held to discuss the Community Bank® concept and the steps required to establish a Community Bank® Branch of Bendigo Bank at Acacia Ridge. As a result the committee conducted a feasibility study in relation to the proposal.

The results of the feasibility study were presented to the committee at a meeting held on 3 August 2005 and it was unanimously voted to proceed towards the establishment of the Acacia Ridge Community Bank® Branch.

The results of the feasibility study are discussed in Section 4 of this Prospectus.



### 3.8 The Company's Board of Directors

The management and control of the business and affairs of the Company is the responsibility of the Board of Directors. There are various rules in the Constitution to ensure that Shareholders regularly have the opportunity to vote on the Directors. In particular, under the Constitution, one third of the Directors (other than an 'exempt' Managing Director – if any) will be required to retire at each annual general meeting (other than at the Company's first annual general meeting). A Director who has held office in excess of a continuous period of three years or three annual general meetings (whichever is longer) since last elected must retire. However, retiring Directors are eligible for re-election. In addition, persons who are appointed as Directors by the Board must retire at the next annual general meeting, but are eligible for election, and an employee who is a Director must retire as a Director if they cease to be an employee, but are also eligible for re-election.

Under the Constitution, each Director is required to undergo a probity check (primarily a national criminal record check) as a condition of their appointment as a Director. This rule requires that a Director will need to undergo such a check prior to their appointment as a Director or, if a Director was appointed before this rule became effective, within six months of their appointment. Directors can be required to undergo a further check every 12 months.

## 4. Financial information

### 4.1 Feasibility Study

A feasibility study was conducted in Acacia Ridge to assist the community to decide whether to proceed with establishing a Community Bank® Branch of Bendigo Bank in Acacia Ridge.

The feasibility study involved:

- distributing survey's to 700 households and businesses;
- conducting interviews with a selection of local businesses and community members; and
- reviewing the available economic information regarding the area.

Surveys were distributed in respect of personal and business banking. A copy of the pro forma surveys are set out in Annexure A to this Prospectus. The response rate to the surveys was as follows:

Feasibility Survey Factors	Results
Surveys Distributed	700
Surveys Returned	126
% Of Surveys Returned	18%
Respondents' Total Banking Business	\$9,890,500
Respondents' Banking Business Available In First Year	\$6,981,000

### 4.2 Forecasts

#### Overview of the Process of Preparing the Forecasts

The banking business indicated by respondents to the survey was collated for Bendigo Bank by an independent consultant.

Based on this information, the Company (together with assistance from Bendigo Bank based on its experience with its own branches and other franchises), has prepared forecasts of the interest earnings from the lending products and the interest cost of the deposits, together with forecasts of other revenue streams.

The assumptions made in relation to this financial modelling conducted by the

Company and Bendigo Bank are those set out below and in Sections 4.4 and 4.5.

Three forecasts have been prepared, each assuming that a different level of business is generated by the Company. This process is discussed in detail below.

The annual operating costs (refer to Section 4.5) were estimated by the Company on the basis of the annual operating costs incurred by comparable Bendigo Bank franchises and branches. (This comparable information was provided, without identifying particular franchises, by Bendigo Bank). The estimated annual operating costs of the branch were included to arrive at the estimated operating profit or loss before any allowance for depreciation, tax or dividends.

The Company's accountant was then provided with these figures and, as part of the accountant's role in relation to the preparation and review of the forecasts, the accountant calculated the depreciation and taxation expenses.

#### **Forecasts – Three Different Scenarios**

From the information received in the feasibility study, the following three separate forecasts were made in relation to the overall income, expenses and profit (or loss) of the Company.

- (i) Modified Forecast (see Table 1 below) – this is a forecast for the Company assuming that the Acacia Ridge Community Bank® Branch achieves the level and type of business indicated by the survey results adjusted, in its first year of operation, by the performance of other comparable Community Bank® Branches (this adjustment process is described below). The assumption of growth for Year 2 and Year 3 is discussed in Section 4.4 below.
- (ii) 80% Of The Modified Forecast (see Table 2 below) – this is a forecast for the Company assuming that, in its first year of operation, the Acacia Ridge Community Bank® Branch only achieves 80% of the growth in business assumed for the “Modified Forecast” (this adjustment process is described below). The assumption of growth for Year 2 and Year 3 is discussed in Section 4.4 below.

- (iii) 120% Of The Modified Forecast (see Table 3 below) – this is a forecast for the Company assuming that, in its first year of operation, Acacia Ridge Community Bank® branch achieves 120% of the growth in business assumed for the “Modified Forecast” (this adjustment process is described below). The assumption of growth for Year 2 and Year 3 is discussed in Section 4.4 below.

#### **Preparing the Forecasts**

The Directors understand that Bendigo Bank regularly collates data on, and analyses the performance of, the existing Community Bank® Branches and, based on this, the feasibility study results are modified to produce the Modified Forecasts. Based on discussions with Bendigo Bank, the Directors believe that this process produces forecasts that are more reliable than simply relying on the feasibility study results, as these Modified Forecasts build into them the experience of other Community Bank® Branches.

Set out below is a more detailed explanation of how the Modified Forecasts in this Prospectus are produced.

- Bendigo Bank identifies existing Community Bank® Branches that are comparable to the proposed Acacia Ridge Community Bank® Branch and then calculates the average volume of loans and average volume of deposits these branches have achieved in their first year of operation. In determining whether an existing Community Bank® Branch is considered “comparable” to the proposed Acacia Ridge Community Bank® Branch, Bendigo Bank considers a range of factors, including whether it is located in a community with a similar population and similar demographic profile to the Acacia Ridge community and whether the volume of business carried on by the existing branch is similar to that expected to be carried on by the Acacia Ridge Community Bank® Branch.
- The average volume of loans and average volume of deposits for the comparable branches are then compared to the volume of loans and deposits identified in the feasibility study result for the proposed Acacia

Ridge Community Bank® Branch to produce the factor by which the feasibility study results for the proposed Acacia Ridge Community Bank® Branch should be modified.

- The relevant factor is then applied to each of the product groups identified in the feasibility study to produce the Year 1 results in the “Modified Forecast”.
- As the comparable sites are relatively new, sufficient comparable historical data is not available for the full period of the forecasts. Thus, the adjustment for comparable historical performance only occurs for the first year of operation. The forecasts then revert to the growth in business that is consistent with Bendigo Bank’s experience with the overall Community Bank® Branch network. This is discussed further in Section 4.4 below.

By way of an overview, the statistics generated for the performance of all the branches across the Community Bank® network demonstrate that while individual Community Bank® Branch performances vary from branch to branch, and month to month, on average the actual performance of deposit products of each branch exceeds the amounts of deposit business respondents indicated they would transfer to the branch. However, lending products for each branch are more difficult to convert and so may fall short of the amounts of lending business respondents indicated they would transfer to the branch, especially in the first 12 months of operation. These results also show that the superannuation business identified in the surveys has proved difficult to convert. Therefore, the forecasts do not take into account any income for superannuation.

### **Assumptions**

Whilst the Directors have given due care and attention to adopting the forecasts in this Prospectus, they can give no guarantee that these results will be achieved, since there are many factors beyond their influence and control. Some of these risks are discussed in Section 5 below.

In particular, the forecasts are based on the survey responses provided by community members. Community members are under no obligation to act in accordance with their responses and there is no guarantee that these results will be achieved. It is now up to the Acacia Ridge Community to support the operation and ensure its success.

The other assumptions made in relation to the survey responses and on which these forecasts are based are set out in Sections 4.4 and 4.5 below. The impact of the GST is discussed in Section 4.6.

### **(i) Modified Forecast**

The forecasts outlined in the table below have been prepared by taking the feasibility study results and adjusting those figures (as described above) for the first 12 months of trading (ie Year 1), based on the average trading performances of existing comparable Community Bank® Branches. The assumption of growth for Year 2 and Year 3 is discussed in Section 4.4 below.

**Table 1** shows that if the Company achieves the level of business assumed in the Modified Forecast, it will incur operating losses in Year 1 & 2, and will generate a positive operating profit before tax of \$72,631 in Year 3. Investors should note however that Retained Earnings will still be negative in Year 3 partly as a result of the carrying forward of start up costs incurred by the Company.

**Table 1: Modified Forecast**

	Year 1 \$	Year 2 \$	Year 3 \$
Deposits Raised	6,891,220	11,336,830	15,782,440
Loans Generated	22,321,806	31,187,459	40,053,112
Total Portfolio	29,213,026	42,524,289	55,835,552
Estimated Revenue from Ordinary Activities <sup>1</sup>	218,700	352,417	468,531
Estimated Expenses from Ordinary Activities <sup>2</sup>			
Employee Expenses	(326,350)	(213,665)	(220,015)
Other Expenses	(138,042)	(153,329)	(157,930)
Depreciation and amortisation <sup>3</sup>	(21,091)	(21,091)	(17,955)
<b>Operating Profit (Loss) before tax</b>	<b>(266,783)</b>	<b>(35,668)</b>	<b>72,631</b>
Income Tax credit (charge) attributable to ordinary activities <sup>4</sup>	80,035	10,700	(21,789)
<b>Estimated Operating Profit (Loss) after income tax expense</b>	<b>(186,748)</b>	<b>(24,968)</b>	<b>50,842</b>
Retained profits (accumulated losses) at the beginning of the financial year	0	(186,748)	(211,716)
<b>Retained profits (accumulated losses) at the end of the financial year</b>	<b>(186,748)</b>	<b>(211,716)</b>	<b>(160,874)</b>

**Notes:**

1 See assumptions in Section 4.4 below.

2 See assumptions in Section 4.5 below.

3 Non Current Assets will be depreciated over their useful economic life as follows:-

	Life	Method	Year 1 \$	Year 2 \$	Year 3 \$
<b>Depreciation of non current assets</b>					
Leasehold Building Improvements	40 years	Straight Line	2,267	2,267	2,267
Owned Plant & Equipment	2½- 40 years	Straight Line	16,824	16,824	13,688
<b>Amortisation of non current assets</b>					
Franchise fee	Initial term of the franchise	Straight line (over 5 years)	2,000	2,000	2,000
<b>Total</b>			<b>\$21,091</b>	<b>\$21,091</b>	<b>\$17,955</b>

4 Income tax at the company tax rate of 30% has been applied to the estimated profit. The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation

The following two forecasts illustrate how changes in the level of business generated by the Community Bank® Branch affect the forecasts in Table 1 above. For these tables, all of the other assumptions described in Sections 4.4 and 4.5 remain the same. (See Section 4.6 for a discussion of the impact of the goods and services tax).

**(ii) 80% of the Modified Forecast**

**Table 2** shows that if the Company achieves the level of business assumed for this Forecast, it will incur operating losses in Year 1 & 2, and will generate a positive operating profit before tax of \$15,592 in Year 3. Investors should note however that Retained Earnings will still be negative in Year 3 partly as a result of the carrying forward of start up costs incurred by the Company.

**Table 2: 80% of the Modified Forecast**

	<b>Year 1 \$</b>	<b>Year 2 \$</b>	<b>Year 3 \$</b>
Deposits Raised	6,002,097	9,558,587	13,115,073
Loans Generated	20,548,676	27,641,197	34,733,721
Total Portfolio	26,550,773	37,199,784	47,848,794
Estimated Revenue from Ordinary Activities <sup>1</sup>	206,116	318,181	411,492
Estimated Expenses from Ordinary Activities <sup>2</sup>			
Employee Expenses	(326,350)	(213,665)	(220,015)
Other Expenses	(138,042)	(153,329)	(157,930)
Depreciation and amortisation <sup>3</sup>	(21,091)	(21,091)	(17,955)
<b>Operating Profit (Loss) before tax</b>	<b>(279,367)</b>	<b>(69,904)</b>	<b>15,592</b>
Income Tax credit (charge) attributable to ordinary activities <sup>4</sup>	83,810	20,971	(4,678)
<b>Estimated Operating Profit (Loss) after income tax expense</b>	<b>(195,557)</b>	<b>(48,933)</b>	<b>10,914</b>
Retained profits (accumulated losses) at the beginning of the financial year	0	(195,557)	(244,490)
<b>Retained profits (accumulated losses) at the end of the financial year</b>	<b>(195,557)</b>	<b>(244,490)</b>	<b>(233,576)</b>

Notes:

1 See assumptions in Section 4.4 below.

2 See assumptions in Section 4.5 below.

3 See note 3 to Table 1 above

4 Income tax at the company tax rate of 30% has been applied to the estimated profit. The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation.

**(iii) 120% of the Modified Forecast**

**Table 3** shows that if the Company achieves the level of business assumed for this Forecast, it will incur operating losses in Year 1 & 2, and will generate a positive operating profit before tax of \$129,669 in Year 3. Investors should note however that Retained Earnings will still be negative in Year 3 partly as a result of the carrying forward of start up costs incurred by the Company.

**Table 3: 120% of the Modified Forecast**

	<b>Year 1 \$</b>	<b>Year 2 \$</b>	<b>Year 3 \$</b>
Deposits Raised	7,780,343	13,115,073	18,449,807
Loans Generated	24,094,936	34,733,721	45,372,503
Total Portfolio	31,875,279	47,848,794	63,822,310
Estimated Revenue from Ordinary Activities <sup>1</sup>	231,297	386,669	525,569
Estimated Expenses from Ordinary Activities <sup>2</sup>			
Employee Expenses	(326,350)	(213,665)	(220,015)
Other Expenses	(138,042)	(153,329)	(157,930)
Depreciation and amortisation <sup>3</sup>	(21,091)	(21,091)	(17,955)
<b>Operating Profit (Loss) before tax</b>	<b>(254,186)</b>	<b>(1,416)</b>	<b>129,669</b>
Income Tax credit (charge) attributable to ordinary activities <sup>4</sup>	76,256	425	(38,901)
<b>Estimated Operating Profit (Loss) after income tax expense</b>	<b>(177,930)</b>	<b>(991)</b>	<b>90,768</b>
Retained profits (accumulated losses) at the beginning of the financial year	0	(177,930)	(178,921)
<b>Retained profits (accumulated losses) at the end of the financial year</b>	<b>(177,930)</b>	<b>(178,921)</b>	<b>(88,153)</b>

Notes:

1 See assumptions in Section 4.4 below.

2 See assumptions in Section 4.5 below.

3 See note 3 to Table 1 above

4 Income tax at the company tax rate of 30% has been applied to the estimated profit. The income tax expense may vary depending upon allowable tax deductions applicable to the Company under current income tax legislation.



### 4.3 Sensitivity

The forecasts will be affected by the following factors:

- the extent to which the business generated by the Community Bank® Branch varies from the survey responses including:
  - the value of the accounts;
  - different business mixes;
  - the timing of writing the business; and
  - account retention;
- interest rate variations (though see Section 4.4 below); and
- operating costs containment.

### 4.4 Revenue

#### Revenue Calculation

The estimated revenue for each year is the amount that would be earned by the Company under the Franchise Agreement on the basis of the assumed level of business for that year (see below).

The Franchise Agreement provides for three types of revenue that may be earned by the Company.

First, the Company is entitled to 50% of the monthly gross margin earned by Bendigo Bank on products and services provided through the Company that are regarded as “day to day” banking business (ie ‘margin business’). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the Company effectively incurs, and must bear, 50% of that loss.

The second source of revenue for the Company is commission paid by Bendigo Bank on the other products and services provided through the Company (ie ‘commission business’).

The initial list of products and services to be provided by the Company is set out in Section 3.4. The Franchise Agreement provides that a commission is payable on insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Elders Rural Bank, leasing referrals, fixed loans and fixed deposits (>90 days), and that all other products and services are taken into account in determining the gross margin.

The third source of revenue is a proportion of the fees and charges (that is, what are commonly referred to as ‘bank fees and charges’) charged to customers to which the Company may be entitled. This proportion (if any) is determined by Bendigo Bank, may vary between products and services and may be amended by Bendigo Bank from time to time.

As it is too uncertain to determine whether any revenue (and, if so, how much) will be generated by the Company in promoting or offering “non-banking” products or services during the forecast period (see Section 3.4), no such revenue has been included in any forecast.

#### Description of Business

The following types of business were covered by the surveys:

- Deposits  
“Deposits raised” comprises personal and business savings accounts, cheque accounts and term deposits. Of these products, savings and cheque accounts and term deposits of less than 90 days are included in the calculation of the monthly gross margin. Term deposits of more than 90 days earn a commission.
- Loans  
“Loans generated” comprises personal and business overdrafts, personal loans, home loans, business leasing and hire purchase and other business loan facilities. Of these products and services, overdrafts, personal loans and flexible home loans are margin business and fixed home loans, leasing, hire purchase and other business loan facilities are commission business.
- Other  
“Other business” consists of superannuation products, which are commission based products.

#### Level of Business

As described in detail in Section 4.2, revenue for Year 1 of the “Modified Forecast” is based upon the feasibility study results, as modified based on the average trading performances of existing comparable Community Bank® Branches. The “80% of the Modified Forecast” assumes that the Company only achieves

80% of the growth in business during Year 1. The “120% of the Modified Forecast” assumes that the Company achieves 120% of the growth in business during Year 1.

For Year 2 and Year 3 in each of the three forecasts, the figures assume straight line growth in business (from Year 1 in the forecast). These growth rates have been set having regard to Bendigo Bank’s experience of the growth achieved across the Community Bank® branch network and consideration of the Company’s particular circumstances (ie, the volume of business indicated by the feasibility study results and the size of our community). In this process, it is not possible to consider solely the comparable branches, as there is not sufficient data for these branches over the three year forecast period on which to base any assumptions as to growth.

#### Survey Responses

The following additional assumptions were made in relation to the survey responses:

- no allowance is made for financial seasonality - survey responses indicating current account balances were considered to be equal to the average annual account balances;
- where respondents indicated they would shift part of their business, this was assumed to mean half;
- averages are used for the ranges indicated on the survey forms (ie \$0-\$5,000 is taken to be \$2,500);
- specific amounts have been used where indicated in the response;
- the maturity profile of term deposits has been regarded as 1/3 less than 90 days and 2/3 greater than 90 days;
- home loans have been regarded as 2/3 variable and 1/3 fixed interest loans;
- in Year 1 in all three forecasts, it has been assumed that deposits will be transferred to the Community Bank® branch equally each month. However, as loans can be slower to convert, this is not assumed for loans – rather, the total loans for Year 1 are divided by 12 and it is assumed that, based on this per month amount, only 50% will be

written in each of months 1-4, 100% will be written in each of months 5-8, but 150% will be written in each of months 9-12. In Year 2 and Year 3 in all three forecasts, it is assumed that deposits and loans will be transferred to the Community Bank® branch equally each month; and

- no allowance has been made for revenue generated from products or services other than the deposit and loan business specified in the survey and revenue generated from “foreign” ATM fees (see below).

#### Interest Rates

Interest rates (set out below) within broad product groups have been adopted across all forecasts.

Product	Rate
Personal Transaction Account	2.71%
Business Cheque Account	2.33%
Term Deposits<= 90 days	5.15%
Variable Home Loans	6.86%
Home Equity Loans	7.12%
Credit Cards	9.34%
Overdrafts (Business)	7.12%
Personal Loans	10.57%

These rates were current as at 11 August 2005.

In determining the profitability of a Community Bank® Branch (as with any other bank branch), one factor is the interest rate margin. The interest rate margin can be described as the difference between the interest rate earned on lending products as compared to the interest rate paid out on deposits and investments. If interest rates change over the period of the forecasts in this Prospectus, the profitability of the branch may not be affected, if the interest rate margin remains unchanged.

However, as the interest rate margin changes, so does the profitability of the branch. It is estimated that, for the “Modified Forecast” in Table 1 above, an increase/decrease of 0.1% in the interest rate margin would increase/decrease the Company’s gross revenue by the following amounts:

Year 1: \$8,213

Year 2: \$13,089

Year 3: \$17,656

### **ATM Fees**

The forecasts in this Prospectus contain an estimate of the amount of fees generated from non-Bendigo Bank customers using the company's proposed ATM.

A parliamentary inquiry has called for a change in the method of calculating these "foreign" ATM fees that would result in a lower fee being charged. The Directors are unable to state whether the proposed changes will be enacted but have allowed for a reduction of estimated fee revenue from "foreign" ATM fees.

## **4.5 Establishment and Operating Costs**

The following costs of the Company were taken into account in preparing the forecasts:

- the initial investment required to establish the Community Bank® Branch and commence operations; and
- the estimated annual operating costs of the Community Bank® Branch.

### **Establishment Costs**

The costs to establish the branch and commence operations include:

- the Franchise Fee and Training Costs payable under the Franchise Agreement;
- site modifications and start up assistance;
- legal costs (including the costs of undertaking this Issue);
- initial costs of listing and quotation on the Bendigo Stock Exchange (including professional advice in relation to listing and quotation);
- the costs of the opening launch of the Acacia Ridge Community Bank® Branch;
- working capital and;
- feasibility costs.

### **Annual Operating Costs**

The operating costs of the Community Bank® Branch are incorporated in the forecasts in Section 4.2.

These costs include:

- annual Bendigo Stock Exchange listing and quotation fees;
- share registry fees;
- labour (Manager and Customer Service Officers) and related costs (eg uniforms);
- occupancy and outgoings;

- marketing;
- bad debts and other credit expenses ;
- IT equipment, running costs and support costs;
- insurance;
- phone and fax;
- postage and stationery;
- cash logistics;
- security monitoring and maintenance;
- travel and accommodation;
- repairs and maintenance;
- automatic teller machine (ATM);
- accountancy and secretarial; and
- annual audit fees.

## **4.6 Goods and Services Tax**

The goods and services tax (GST) legislation took effect from 1 July 2000. The impact of the GST on providers of financial services is quite different from its impact on other businesses. Most businesses are able to claim back all GST paid on business inputs. This is not the case for providers of 'financial supplies'. Providers of 'financial supplies' are input taxed. This means that they can not charge GST on these 'financial supplies' and can not claim back all the GST paid on their inputs.

The regulations distinguish between a financial supply "provider" who makes a financial supply and a "facilitator" who facilitates a financial supply made by another entity. Generally, supplies by a "financial supply facilitator" are not financial supplies and would therefore be subject to GST.

The Directors of the Company have been advised by the Company's accountant that the Company will be a "financial supply facilitator" and it will therefore be able to reclaim the GST suffered on its business inputs but also required to account for GST on its revenues.

For the purposes of the forecasts in this Prospectus, it has been assumed that the services which the Company provides to Bendigo Bank are subject to GST, and the tax paid on purchases of inputs to the business will be able to be reclaimed in full. The revenues stated in the forecasts are net of GST and the costs are net of input tax credits.

## 4.7 Pro-forma Statement of Financial Position

Set out below is an unaudited pro forma statement of financial position of the Company showing the actual position as at incorporation and alternative unaudited pro forma statements showing the effect of the Issue.

	Actual as at 2 September 2005 \$	Unaudited Pro Forma 16 December 2005 <sup>1&amp;3</sup> \$	Unaudited Pro Forma 16 December 2005 <sup>2&amp;3</sup> \$
<b>Current Assets</b>			
Cash assets	7	500,007	700,007
<b>Total Assets</b>	<b>7</b>	<b>500,007</b>	<b>700,007</b>
<b>Current Liabilities</b>			
Payables	-	(27,500)	(27,500)
<b>Total Liabilities</b>	<b>-</b>	<b>(27,500)</b>	<b>(27,500)</b>
<b>Net Assets</b>	<b>7</b>	<b>472,507</b>	<b>672,507</b>
<b>Equity</b>			
Issued capital			
ordinary shares of \$1 each	7	500,007	700,007
Less: Equity raising costs	-	(27,500)	(27,500)
<b>Contributed Equity</b>	<b>7</b>	<b>472,507</b>	<b>672,507</b>

### Notes

- 1 Assumes the Offer is fully subscribed and no oversubscriptions are accepted, and all Shares have been allotted by 16 December 2005.
- 2 Assumes the Offer is fully subscribed and the maximum amount of oversubscriptions is accepted, and all Shares have been allotted by 16 December 2005.
- 3 This statement of financial position shows the position before any amount has been paid to Bendigo Bank under the Franchise Agreement.

## 4.8 International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Company must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. The first financial year to which IFRS will be applicable to the Company is Year 1.

All financial information disclosed in this Prospectus has been prepared in accordance with Australian Generally Accepted Accounting Principles (Australian GAAP). The Directors have reviewed the differences between Australian GAAP and the IFRS issued to date to identify any issues that may potentially have a significant effect on the financial position and financial performance of the Company.

The Company does not believe that there will be any material changes required to the financial information presented as a result of the adoption of IFRS based on the information available to date.

## 5. Risk Factors

### 5.1 Introduction

Potential investors should consider the risks of investing in the Company carefully before making an investment decision. Your investment is not guaranteed by Bendigo Bank.

Particular investment risks arise due to the specific purpose for which the Company is being established, that is, to manage a Community Bank® Branch of Bendigo Bank pursuant to a Franchise Agreement with Bendigo Bank.

An investment in the Company is also affected by the business risks to which the Company will be subject, which may affect the success of the Company and, accordingly, its ability to pay dividends and its ongoing operation.

The following Sections highlight some of the key risks associated with an investment in the Company. There may also be other risks.

### 5.2 Investment Risk

#### Dividends

Once the Company achieves profitability, its Directors intend that such profits will, as a general rule, be applied at the discretion of the Directors in one or more of the following ways:

- in payment of dividends to shareholders (subject to the limit described below);
- towards community or charitable projects as determined by the Directors from time to time; or
- as working capital.

The timing and payment of dividends is dependent on many factors which affect future profits and the financial position of the Company. Dividends will be determined by the Directors according to actual results, financial position, capital requirements, operating costs and economic conditions at the time. There will also be an assessment by the Directors of the needs of any worthwhile community or charitable projects. Further, in recognition of the aims of the Company

to deliver social and economic benefits to the community (in addition to, if possible, a return to shareholders), the Company has agreed that in any 12 month period, the aggregate of the profits or funds of the Company distributed to shareholders (whether by way of dividends, bonus shares or otherwise) must not, except in the case of a winding up, exceed the Distribution Limit. The Distribution Limit is the greater of:

- (a) 20% of the profit or funds of the Company otherwise available for distribution to shareholders in that 12 month period; and
- (b) subject to the availability of distributable profits, the Relevant Rate of Return multiplied by the average level of share capital over that 12 month period (as determined by Bendigo Bank in consultation with the Company). The Relevant Rate of Return is equal to the weighted average interest rate on 90 day bank bills over that 12 month period (as determined by Bendigo Bank) plus 5%.

Of course, the actual amounts distributed to shareholders may be less than the Distribution Limit.

Based on the forecast results set out in Section 4 above, it is not envisaged that the Company will be in a position to pay any dividends during the forecast period and there is, of course, no certainty of any dividends after that time

#### Trading in Shares

The Company is being established to provide members of the community with the opportunity to contribute to establishing a Community Bank® Branch of Bendigo Bank in Acacia Ridge. The community nature of the Company is reflected in the provisions of its Constitution relating to voting rights and limits on shareholding interests (see Sections 7.1 to 7.3 below).

Because of the community based nature of the Company, it is not envisaged that there will be significant trade in shares in the Company. Accordingly, there may be limited opportunities for members to recoup their investment in the Company by disposing of their Shares.

In particular, whilst the Directors intend to apply for listing of the Company, and quotation of the Shares, on the Bendigo Stock Exchange, granting of these



applications (and of the waivers and confirmations required by the Company, as discussed in Section 7.9 below) is at the discretion of the Bendigo Stock Exchange. They may either not be granted at all or alternatively may be granted subject to conditions that are not satisfactory to the Company (though in this regard, see Section 7.10 below for a discussion of the arrangements with Bendigo Bank). In either case, listing and quotation may not proceed. Section 1.7 above discusses the consequences of this. Further, as listing and quotation impose additional obligations and costs on the Company, it is possible that in the future, the Directors will form the view that listing and quotation is no longer in the best interests of the Company.

Even if listing and quotation occur, it is not anticipated that an active market for trading of the Shares will develop. For example, the restrictions on shareholding interests will limit those persons who are able to purchase Shares in the Company. If the market for the Shares is not liquid, it is possible that the market price of the Shares may not reflect the true underlying value of the Company.

Further, the market price of the Shares will fluctuate due to various factors, including general movements in the Australian equity market (which, in turn, is influenced by the international equity markets), investor perceptions, local and worldwide economic conditions, movements in interest rates and specific factors affecting the performance and financial position of the Company and its business.

In addition, in the case of some companies listed on a stock market, it is possible that their share price may include a “control premium” to reflect the fact that a person may wish to acquire sufficient shares in the company to gain control of the company and, to do so, the acquirer would need to pay a premium above the underlying share price. It is unlikely that such a premium will be present in the case of the Shares (or will be paid by an acquirer), given the restrictions on share ownership in the Constitution and the fact that a change of control of the Company may trigger a termination of the Franchise Agreement.

In summary therefore, it is possible that the market price of the Shares may

be lower than the issue price under the Offer or otherwise may not reflect the true underlying value of the Company or its performance. Whilst this risk applies to all investments in any securities on any stock market, it applies particularly so here given the community nature of the Company (for example, the restriction on dividend payments), the limitations on share ownership, the restrictions on the business activities of the Company and the likelihood of an illiquid market.

### **Termination of Franchise**

The Franchise Agreement provides for a maximum possible term of 15 years (see Section 3.3 above), after which the continued operation of the Community Bank® Branch will be subject to further negotiations with Bendigo Bank. Bendigo Bank also has broad rights to terminate the Franchise Agreement (see Section 6 below), in particular, if the franchise operation is not profitable. The Company is not entitled to any payment upon termination of the Franchise Agreement, though it would be entitled to the net proceeds of the sale or transfer of the franchise operation if, at its discretion, Bendigo Bank proceeded with such a sale or transfer after termination (see Section 6 below).

There are no restrictions on where Bendigo Bank (or any of its related bodies corporate or other Bendigo Bank franchisees) may carry on business or be located (either before, during or after the term of the Franchise Agreement – see Section 3.5 & 3.6 above).

On the expiration or earlier termination of the Franchise Agreement, the Company is prohibited from carrying on a substantially similar business for three years.

There are also restrictions on the ability of the Company to dispose of its rights in the franchise, the Franchise Agreement, the franchise operation or the branch location (see Section 3.3 above).

## **5.3 Business Risks**

### **Sole Purpose Company**

The Company will essentially be a sole purpose company.

Subject to the ability to offer and promote other products and services under agreements with Bendigo Group



members that have been approved by Bendigo Bank, the Company's only business will be managing a Community Bank® Branch of Bendigo Bank.

#### **Level of Banking Business**

Although all transactions conducted through the branch will actually be conducted with Bendigo Bank, the effect of the gross margin sharing arrangement (as described in Section 4.4) is that the Company bears the risk of generating sufficient income from the banking business to derive a profit.

It is important to recognise that the forecasts presented in Section 4.2 are based (in part) on survey responses, and there is no obligation on respondents to transfer the business indicated in the survey. Accordingly, there is no guarantee that the results set out in Section 4 will be achieved.

The ability of the Company to generate new business is subject to factors beyond the control of the Company.

The level of banking business conducted through the Acacia Ridge Community Bank® Branch will be affected by general economic conditions, in particular, the effect of interest rate movements on the interest rates offered by Bendigo Bank.

As part of the Community Bank® concept, the Acacia Ridge Community Bank® Branch is being established, in part, given the current level of banking facilities available in the Elizabeth Street Shopping Centre, Acacia Ridge. It should be recognised that the Company will face competition from other financial service providers (including, possibly, other branches and franchises of Bendigo Bank) whether located in the Acacia Ridge community or in nearby communities or that are able to deliver such services remotely (for example, through the internet or over the phone). It is also possible that, in the future, other financial service outlets could seek to open in the Elizabeth Street precinct, Acacia Ridge, particularly if the proposed Community Bank® Branch is successful.

#### **Branch Operations**

Like any small business, the Manager and employees will have a key role

in the success of the Acacia Ridge Community Bank® Branch. The Manager and employees will be responsible for promoting the branch in Acacia Ridge, and providing a level of service and support that will engender ongoing relationships with customers. The ability of the Manager to communicate effectively with representatives of Bendigo Bank, and represent the interests of the Acacia Ridge Community Bank® Branch, will also be critical to the smooth operation of the branch.

Although all deposits made through the Acacia Ridge Community Bank® Branch will be transferred to Bendigo Bank, the Company will bear the risk of implementing procedures for handling and transferring such deposits.

### **5.4 Relationship with Bendigo Bank**

#### **Success of Bendigo Bank**

The Acacia Ridge Community Bank® Branch will operate under the Bendigo Bank name and (subject to any products and services (approved by Bendigo Bank) that may be provided under agreements with Bendigo Group members) will only provide Bendigo Bank products and services.

Accordingly, the success of the Company is, to a significant degree, dependent on the standing and success of Bendigo Bank.

The products and services provided through the Company, and the income that Bendigo Bank (and, accordingly, the Company) is able to earn on those products and services, will be subject to the competitive pressures facing Bendigo Bank generally and the impact of economic conditions and other factors on the business of Bendigo Bank

#### **Approvals**

As described in Section 3.6 above, many of the Company's business decisions (including the products and services made available, the annual budgets and the credit business generated through the branch) are subject to the approval of Bendigo Bank.

It is clear that the Company and Bendigo Bank have a common interest in the success of the Company. However,

as noted above, communication between the Company and Bendigo Bank will be critical to ensuring that Bendigo Bank understands the particular requirements of the Acacia Ridge Community Bank® Branch and decisions in respect of the branch operations are made accordingly.

#### **Bendigo Bank Claims**

Pursuant to a broad indemnity in the Franchise Agreement, the Company is responsible for certain claims made against Bendigo Bank in connection with the operation of the franchise operation (see Section 6).

### **5.5 Other Factors**

#### **Regulatory Environment**

Although the Company will not carry on banking business, by managing a Community Bank® Branch of Bendigo Bank it will effectively be subject to the regulatory environment in which Bendigo Bank operates. In particular, decisions of APRA that affect Bendigo Bank may also have an impact on the business conducted by the Company.

In addition, as part of the franchise arrangements, the Company must be appointed as an 'authorised representative' of Bendigo Bank for the purposes of carrying out the franchise operation (see Section 7.4 below).

#### **Economic Conditions**

As noted above, the Company's business will be affected by changes in economic conditions both directly and indirectly through the effect such changes may have on Bendigo Bank. Relevant factors include market growth, inflation, movements in interest rates and exchange rates and the level of loan defaults.

#### **Government Policies and Legislation**

The Company's business may be affected by changes to government policies, including those relating to prudential supervision, taxation and regulation of financial services industries. Again, such changes may affect the Company directly or indirectly as a result of their impact on Bendigo Bank.

## **6. Franchise Agreement**

The Franchise Agreement establishes the relationship between the Company and Bendigo Bank, and sets out the parameters within which the Company must operate. The Franchise Agreement defines the business that will be conducted by the Company and, accordingly, is critical to an assessment of the Company.

The provisions of the Franchise Agreement have been described in detail in Sections 3 and 5 of this Prospectus.

The following is a brief summary of the key provisions of the Franchise Agreement.

#### **Grant of Rights**

Bendigo Bank grants the Company the right to use Bendigo Bank's system of operations and certain intellectual property rights to manage and operate a Community Bank® Branch of Bendigo Bank.

It is a condition to the Franchise Agreement that the Company raises \$500,000 pursuant to the Issue and applies for listing and quotation on the Bendigo Stock Exchange (as contemplated by Section 1.7 above).

#### **Term**

The initial term of the Agreement is five years. Provided certain conditions are met at the end of each term, Bendigo Bank must agree to extend the term for two further five year terms (see Section 3.3).

#### **Branch Operations**

There are strict controls on the Company in relation to the operations of the Community Bank® Branch. In particular, the Company must only offer the products and services specified by Bendigo Bank, it must comply with Bendigo Bank's promotions, it (and its staff) must comply with the operating manuals supplied by Bendigo Bank, it must seek the prior approval of Bendigo Bank to its promotional activities and material, public communications, signs and stationery, and there are tight controls over the use of Bendigo Bank's intellectual property.

### **Payments/Receipts**

The Company is required to pay Bendigo Bank the Franchise Fee, Training Costs and Start Up Assistance. For each additional five year period, the Company must pay a Renewal Fee, the reasonable costs of training provided by Bendigo Bank to the Company's employees and all costs of Bendigo Bank of renewing the Franchise Agreement (which includes legal fees).

In addition, the Company is responsible for all ongoing costs in relation to the branch and the branch location (including, for example, all staff costs, rent, outgoings and insurance).

The revenue the Company is entitled to receive is described in Section 4.4 above.

You should refer also to Section 5.2 of this Prospectus for a description of the limit, contained in the Franchise Agreement, on distributions by the Company to its shareholders.

### **Indemnity**

The Company indemnifies Bendigo Bank against all losses Bendigo Bank may suffer and all third party claims that may be brought against Bendigo Bank in connection with the conduct of the franchise or the franchise operation, a breach of the Franchise Agreement (including the manuals) by a person other than Bendigo Bank, the offering of any products and services (whether banking or non-banking) by the Company, the carrying on of any business by the Company (whether or not permitted by Bendigo Bank), the activities of the Company or its employees at or near the Community Bank® Branch premises and any unauthorised act, default, dishonesty, negligent act or omission or fraudulent conduct of the Company or any of its officers, employees or agents.

Bendigo Bank indemnifies the Company against all third party claims that may be brought against the Company to the extent that such claims result from a misleading or deceptive statement in, or a misleading or deceptive omission from, the products or services specified by Bendigo Bank to be offered to customers, certain actions by employees of Bendigo Bank or any related promotional materials or manuals supplied by Bendigo Bank. Other potential liability on Bendigo Bank is, to the extent permitted, excluded.

### **Termination**

Bendigo Bank may terminate the Franchise Agreement in various circumstances, including if:

- the Company breaches the Franchise Agreement;
- the Company engages in fraudulent or dangerous conduct, becomes insolvent or fails to pay its debts on time;
- the Company is convicted of a "serious offence" (as defined under the Franchising Code) or, without limiting the foregoing,
- the Company operates the business in a way that endangers public health or safety;
- the Company takes (or omits) to take an action that, under the Franchising Code, permits Bendigo Bank to immediately terminate the Franchise Agreement (eg the Company abandons the branch, carries it on in a way that endangers public health or safety or agrees to terminate the Franchise Agreement);
- the Company voluntarily abandons a franchise operation or the franchise relationship;
- the Company agrees to terminate the Franchise Agreement.

In addition, Bendigo Bank may terminate the Franchise Agreement (which would have the effect of terminating the Acacia Ridge Franchise Rights) in various circumstances, including if:

- the Company, any of its directors or employees is, or has been, convicted of an offence where, in the reasonable opinion of Bendigo Bank, that conviction materially and adversely affects Bendigo Bank and/or the name, goodwill or good reputation of the franchise, Bendigo Bank's system of operations or other Bendigo Bank franchises, unless, in the case of a Director or member of staff, that person ceases to be involved or concerned in the management or operation of the Company and the franchise within the time period (being not less than 7 days) specified by Bendigo Bank;
- the Company carries on the franchise in a manner that, or takes (or fails to take) any action that, harms or

adversely affects, or may harm or adversely affect materially, the good name, goodwill or good reputation of Bendigo Bank, Bendigo Bank's business, the franchise, Bendigo Bank's system of operations or other Bendigo Bank franchises, including if the Company (or its staff) engage in misleading or deceptive conduct or conduct that is unlawful or may cause Bendigo Bank to breach any law or regulation or if the reputation of a Director or of a member of staff could adversely affect the good reputation or goodwill of Bendigo Bank, unless, in this latter case, that Director or member of staff (as the case may be) ceases to be involved or concerned in the management or operation of the Company and the franchise within the time period (being not less than 7 days) specified by Bendigo Bank;

- the Company operates the business from a location not previously approved by Bendigo Bank;
- there is an amendment to, renewal of, or alteration of the effect of, a rule or clause of the Company's constitution documents, without the approval of Bendigo Bank; or
- there is, without Bendigo Bank's prior written consent, a change in the underlying ownership or control of the Company, the franchise or the Company's interest in the franchise agreement or the branch location (this can be deemed to occur for certain changes to the Directors of the Company or if the Company's control/ownership limit is breached - see Section 7.3 below).

Bendigo Bank may also terminate the rights to manage the branch (ie the Acacia Ridge Community Bank® Branch) if:

- the Manager of the Community Bank® Branch becomes unable to perform his or her duties for an extended period, without suitable replacement;
- the franchise operation is not profitable; or
- there is an amendment to, renewal of, or alteration of the effect of, a rule or clause of the Company's constituent

documents, without the approval of Bendigo Bank.

- the Company operates the branch from a location not previously approved by Bendigo Bank.

The Company may terminate the Franchise Agreement if Bendigo Bank materially breaches the Franchise Agreement.

The procedures for termination (either by Bendigo Bank or by the Company) are set out in the Franchise Agreement.

In certain circumstances, where there has been a breach of the Franchise Agreement by the Company, the right to carry on the franchise is suspended until the breach is rectified or the Franchise Agreement is terminated.

Upon termination of the Franchise Agreement, there is no obligation on Bendigo Bank to sell or transfer the franchise operation. However, if such a sale or transfer did proceed, the Company would be entitled to the proceeds received (less the costs of the sale or transfer and certain debts owed by the Company, if any).

## 7. Additional Information

### 7.1 Constitution

The rights attaching to Shares (Section 7.2) and the prohibition on shareholding interest (Section 7.3) set out in the Company's Constitution are summarised below.

### 7.2 Rights Attaching to Shares

The Shares will be issued as fully paid ordinary shares issued at \$1.00 each. They will rank equally with the existing ordinary shares of the Company on issue.

Set out below is a summary of the principal rights attaching to the Shares.

#### (a) Voting Rights

Subject to some limited exceptions, each member has the right to vote at a general meeting. On a show of hands or a poll, each person present as a member, attorney, corporate representative or by proxy, has one vote, regardless of the number of Shares held.

The purpose of the limitation on voting rights is to reflect the nature of the Company as a community based company, by providing that all members of the community who have contributed to the establishment and ongoing operation of the Acacia Ridge Community Bank® Branch have the same ability to influence the operation of the Company.

#### (b) Dividends

Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The Franchise Agreement with Bendigo Bank contains a limit on the level of profits or funds that may be distributed to shareholders. You should refer to Section 5.2 of this Prospectus for a description of this limit. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest

(for example, by breaching the 10% share owning limit (see Section 7.3 below)).

#### (c) Transfer

Generally, ordinary shares are freely transferable. However, the Directors have a discretion to refuse to register a transfer of shares in certain limited circumstances. For example, the Directors may refuse to register a transfer of shares where permitted or required by law or the Bendigo Stock Exchange Listing Rules or where the registration would result in a shareholder having a prohibited shareholding interest (see Section 7.3 below). Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the Company's Constitution, the Corporations Act and, if the Shares are quoted on the Bendigo Stock Exchange, the rules applicable to transfers on the Bendigo Stock Exchange.

The Directors understand that, if the Shares are quoted on the Bendigo Stock Exchange, it is likely that brokers may require a statutory declaration from the transferee confirming that the transfer will not breach any of the shareholding ownership restrictions that apply (see Section 7.3 below).

#### (d) Winding up

If the Company is wound up, then subject to any special or preferential rights attaching to any class of shares, shareholders will be entitled to participate in any surplus assets of the Company in proportion to the capital paid up on their shares when the winding up begins.

If the assets available for distribution amongst shareholders are insufficient to repay the whole of the paid up capital, then those assets will be distributed in proportion to the capital paid up on shares when the winding up begins.

Notwithstanding the above, if the Company is wound up, the liquidator has the discretion to divide among all or any of the shareholders in specie or in kind any part of the Company's assets. The division may be carried out as the liquidator thinks fit, subject to the right of any shareholder prejudiced by the division to dissent. Any dissenting shareholder has ancillary rights as if the determination made by the liquidator were



a special resolution passed under the Corporations Act relating to the transfer of the Company's assets by a liquidator in a voluntary winding up (see, in particular, Chapter 5 of the Corporations Act, especially section 507).

### 7.3 Prohibited Shareholding Interest

The Constitution prohibits a person from having a "prohibited shareholding interest". The ways in which a prohibited shareholding interest may arise are set out in the Constitution and are summarised below.

- A person who controls or owns 10% or more of the shares in the Company has a "prohibited shareholding interest".

Similarly to the voting rights, the purpose of this shareholding limit is to reflect the community based nature of the Company, by ensuring that the Board can prevent ownership of the Company being concentrated in the hands of a small number of community members.

In summary, a person will be deemed to own the shares in the Company in which the person has a relevant interest and the shares in which the person's associates have a relevant interest. (The terms 'relevant interest' and 'associate' have the same meaning as in the Corporations Act, subject to some modifications as set out in the Company's Constitution). Also, a person is deemed to control the votes that the person, and the person's associates, can cast or control the casting of on a resolution to elect a director of the Company.

The effect of these definitions is that, for example, if the aggregate of the shares owned (legally or beneficially) by a person plus the shares owned (legally or beneficially) by members of the person's immediate family, equal or exceed 10% of the shares in the Company, the person has a prohibited shareholding interest. Similarly, if the votes a person can control the casting of on a resolution to elect a director, plus the votes that members of the person's immediate family can control the casting of on such a resolution, equal or exceed 10% of the votes that could be cast by all shareholders on such a resolution, that person has a prohibited shareholding interest. A person's

"immediate family" includes a person's spouse, defacto spouse, parent, son, daughter, brother or sister or a spouse or defacto spouse of any of the preceding persons.

- In addition, in keeping with the community spirit and intent of the Company, a person will also be deemed to have a prohibited shareholding interest if they have voting power in the Company and, in the opinion of the Directors, they do not have a close connection to the Acacia Ridge community. For example, individuals who are residents of Acacia Ridge or surrounding suburbs and their close family members would ordinarily be considered to have a close connection to the Acacia Ridge community. Similarly, a Company who owns or operates a business in the Acacia Ridge area or whose registered address is located in the Acacia Ridge area would ordinarily be considered to have such a close connection. Further, a Company that is owned and controlled by individuals residing in the Acacia Ridge area would also be considered to have a close connection to Acacia Ridge.
- Further, subject to BSX approval, a person will also be deemed to have a prohibited Shareholding interest if, after the transfer of Shares to that person, the number of Shareholders in the Company would be less than the base number of Shareholders. This base number, if approved by BSX, shall be 90% of the Shareholders in the Company after the issue of Shares under this Prospectus. The purpose of this base number restriction, together with the requirement of a close community connection as aforesaid, is to seek to ensure that the Company has broad based local ownership. The BSX has yet to give approval to this base number restriction and if that approval is not forthcoming from the BSX then this rule will be of no force or effect insofar as the Shareholders and Company are concerned.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in the Company in which the person (and



his or her associates) and the person's associates have a relevant interest are suspended. However, where a person has a prohibited shareholding interest purely on the basis that they own or control 10% or more of the shares or votes in the Company, the suspension only applies to those shares in which the person and the person's associates have a relevant interest in excess of 10% of the Company, are suspended.

The Board has the power to request information from a person who has (or is suspected by the Board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest. If the Board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member (or the member's associate) to dispose of the number of Shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified Shares on behalf of that person. The holder will be entitled to the consideration from the sale of the Shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

Furthermore, as noted above in Section 7.2, the Board may refuse to register a transfer of shares on the basis that after the transfer a person would have a prohibited shareholding interest.

In the Constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such a result may be necessary to enforce the prohibition.

#### **7.4 Authorised Representative Appointment**

As noted previously, as part of the franchise arrangements, the Company must be appointed as an 'authorised representative' of Bendigo Bank so that the Company can provide financial services on behalf of Bendigo Bank.

Under the appointment, Bendigo Bank authorises the Company to provide financial services advice in relation to, and deal in, various classes of financial products on behalf of Bendigo Bank. It is a condition of Bendigo Bank granting the authorisation that, amongst other things, the Company does everything necessary to ensure that Bendigo Bank complies with the law. If Bendigo Bank believes on reasonable grounds that the Company or its staff may have or are about to contravene the law or cause Bendigo Bank to contravene the law, Bendigo Bank has the power to modify or revoke the authorisation (in which case Bendigo Bank may also have the ability to terminate the Franchise Agreement).

#### **7.5 Taxation Implications**

The following is intended only as a general summary and does not purport to be a complete statement of all tax consequences that may be relevant to the issue of ordinary shares in the Company. The taxation implications of investing in the Company may vary depending on the individual circumstances of investors. The information provided is a brief explanation of the potential taxation implications for Australian resident investors.

All investors should consult their adviser about the taxation implications of investing in the Company relevant to their own particular circumstances.

An acquisition of ordinary shares by a resident of Australia will be an acquisition for capital gains tax (CGT) purposes.

A resident of Australia may be assessed in respect of a net capital gain for CGT purposes on disposal of their ordinary shares.

Generally, a net capital gain is determined by reference to the excess (if any) of the consideration received for the ordinary shares over the cost base of the ordinary shares. The amount of the excess will constitute the amount of capital gain unless the investor is entitled to a CGT discount, which is only available to individuals, superannuation funds and, in certain situations, trust investors. The CGT discount is calculated as follows. In the case of an investor who holds their shares for at least 12 months after the

date of acquisition of the shares, the capital gain will be reduced by 50% (where the investor is an individual) or 33⅓% (where the investor is a superannuation fund) in the hands of the investor. In the case of trust investors, the calculation of the CGT discount is complex, and specific advice should be obtained.

Any capital loss (namely the excess of the cost base of the ordinary shares over the consideration received for those shares) with respect to the shares can generally be offset against capital gains realised by the investor in the same year or in later years. However, if there are net capital gains to which the investor is entitled to a CGT discount, any capital losses must be offset against the net capital gains realised by the investor before the CGT discount is applied to the net capital gains.

Certain investors, for example those who carry on business of share trading, may be liable to tax in respect of any profit on the disposal of ordinary shares as ordinary income.

Investors who are resident individual shareholders (or a resident superannuation fund) and who receive dividends from the Company must include in their assessable income the amount of the dividend together with any franking credits attached to the dividend. Income tax is calculated on this total amount and investors will generally be entitled to claim a rebate equal to any franking credits attaching to the dividend. Any excess rebate over and above the total tax payable can be refunded to investors.

A resident corporate shareholder that is:

- a public company for tax purposes – is entitled to a rebate of tax only to the extent of the franked portion (if any) of any dividends received; and
- a private company for tax purposes - is entitled to a rebate only to the extent of the franked portion (if any) of any dividends received.

Companies are generally entitled to credit their franking account for the franked amount of any dividend.

## **7.6 Additional Director**

Following the raising of the minimum subscription, the Company intends appointing Bruce Fraser Graham as an additional Director of the Company.

Bruce currently resides at 4 Boongala Road, Broadbeach Waters. He is the Proprietor of the Legal Firm “Graham & Associates” which he has operated in Acacia Ridge since 1979. Bruce has strong community links having previously been the Secretary of the Salisbury Rotary Club, a Member of the Federal Court Pro-bono panel and has also assisted with legal aid referrals from the Acacia Ridge Community Centre.

Bruce was to be one of the original Directors of the Company but due to personal commitments at the time of incorporating the Company and issuing the within Prospectus, Bruce was not available to be appointed at that time. Nevertheless, he has indicated a willingness to be a Director of the Company and will be appointed once the minimum subscription is raised.

## **7.7 Directors’ Interests**

Other than as set out below, no Director (and no proposed Director) has, or has held at any time during the last two years, any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer of the Shares, or in the Offer of the Shares.

### **Shares**

The Directors of the Company and their interests in the share capital of the Company as at the date of this Prospectus are set out below.

Name of Director	Number of Shares	Nature of Interest
Victoria Louise Maguire	1	Legal and Beneficial
Linda Anne Beaumont	1	Legal and Beneficial
Peter Geoffrey Henderson	1	Legal and Beneficial
Paul Douglas Knight	1	Legal and Beneficial
Joan Margaret Rae	1	Legal and Beneficial
Trevor Maurice Loft	1	Legal and Beneficial
Mark Ledwidge	1	Legal and Beneficial

No Director holds shares in any related body corporate of the Company.

### Indemnity

Under the Company's Constitution, the Company:

- indemnifies its current and former officers against liability to third parties incurred arising out of the conduct of the business of the Company or in the discharge of their duties as officers; and
- is permitted to pay premiums for insurance policies insuring its Directors and officers against liability to third parties incurred arising out of the conduct of the business of the Company or in the discharge of their duties as officers.

### Other Interests

- (a) Victoria Louise Maguire is a Director of J. L. Lander Pty. Ltd. This Company is the owner of the Premises situated at lot 5/28 Elizabeth Street, Acacia Ridge where the Branch will be located. Victoria is also the sole director of Maguire Properties Pty. Ltd. which owns and operates the Licenced Post Office located in the Elizabeth Street Shopping Centre, Acacia Ridge. Victoria in her personal capacity is also the Chairman of the Body Corporate which oversees all Shops at the Elizabeth Street Shopping Centre, Acacia Ridge. Victoria is also a member of the Australia Post Licensee Advisory Council.
- (b) Peter Geoffrey Henderson is a self employed Accountant operating out of Algester. An associated company is an authorised representative of Garvan Financial Planning which holds an Australian Financial Services Licence,

and offers services to his clients similar to those that may be offered by the Acacia Ridge Community Bank® Branch. In accordance with Section 3.6 of this Prospectus, Bendigo Bank has consented to his continued role as a Director of the Company.

- (c) The following directors either own, operate or are involved in businesses located in the Elizabeth Street Shopping Centre:-

- Victoria Louise Maguire
- Linda Anne Beaumont
- Paul Douglas Knight
- Trevor Maurice Loft
- Mark Ledwidge

### Other Benefits

No amounts have been paid or agreed to be paid (and no benefits have been given or agreed to be given) to a Director (or a proposed Director) to induce them to become, or to qualify as, a director of the Company.

## 7.8 Disclosure of Interests

Other than as set out below, no person (referred to as a Relevant Person) named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, no promoter of the Company and no stockbroker or underwriter to the Issue of Shares has, or has held at any time during the last two years, any interest in the formation or promotion of the Company, in property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer of the Shares, or in the Offer of the Shares.

The amounts paid, or agreed to be paid, and the nature and value of any benefits given or agreed to be given, to a Relevant Person or such a promoter, stockbroker or underwriter, for services provided in connection with the formation or promotion of the Company or in connection with the Offer of the Shares are as follows:

**Peter S Glare & Associates** have provided legal services to the company in connection with the Offer and for those services will be paid a fee of \$7,500.

**AFS & Associates Pty Ltd** has provided accountancy services to the company in connection with the Offer and for those services will be paid a fee of \$3,000.

## **7.9 BSX Waivers**

In connection with the proposal for the listing of the Company, and the quotation of the Shares, on the Bendigo Stock Exchange, it is anticipated that the Company will require a number of waivers and confirmations from the Bendigo Stock Exchange. (These are in addition to the other requirements for listing and quotation that must be satisfied).

The Directors have had discussions of a preliminary nature with the Bendigo Stock Exchange about the waivers and confirmations required. However, the granting of these waivers and confirmations is at the absolute discretion of the Bendigo Stock Exchange and, if given, may be given subject to conditions (though see Section 7.10). The main waivers and confirmations to be sought are as follows.

### **(a) Company's Constitution**

The Company intends to seek confirmation that, for the purposes of BSX Listing Rule 1.2(b), the Company's Constitution is consistent with the BSX Listing Rules (as modified by the waivers and confirmations referred to in this Section).

### **(b) Voting Rights**

The Company intends to request a waiver from the requirement in BSX Listing Rule 4.3(b) that, on a poll, each shareholder must have one vote for each fully paid share held. As noted above

(see Section 7.2(a)), each shareholder in the Company will have only one vote, regardless of the number of shares held.

### **(c) Suspension of Dividend & Voting Rights**

The Company intends to seek confirmation that the provisions in the Company's Constitution that suspend the rights of a shareholder to receive dividends or vote if they have a prohibited shareholding interest (see Section 7.3 above) are "appropriate and equitable" for the purposes of the BSX Listing Rule 4.4(f).

### **(d) Divestment of Shares**

The Company intends to seek confirmation that the provisions in the Company's Constitution that permit a divestment of shares if a shareholder has a prohibited shareholding interest (see Section 7.3 above) are "appropriate and equitable" for the purposes of the BSX Listing Rule 4.6 (c) or (d).

### **(e) Tests for Listing**

In order to list, among other things, a company must satisfy the "spread test" (ie it must have a certain specified number of shareholders each holding at least a certain specified value of shares) and it must satisfy either the "profits test" (ie among other things, it must have earned a certain level of profits over the past three years) or the "assets test" (ie it must have assets of a certain value): see BSX Listing Rules 1.1 to 1.7. It is not expected that the Company will be able to satisfy any of these tests. Accordingly, the Company intends to request a waiver from the requirement to comply with each test.

### **(f) Ongoing Operations**

Under the BSX Listing Rules, there is a requirement for a listed entity to maintain a level of operations and financial stability that, in the BSX's opinion, is sufficient for the entity to remain on the BSX official list (see BSX Listing Rule 9.1). There is also a requirement to maintain a spread of security holders in a company's main class of securities which, in the BSX's opinion, is sufficient to ensure that there is an orderly market in securities (see BSX Listing Rule 9.2). The Company intends to seek confirmation from the BSX that the level of business contemplated by this Prospectus, and the expected shareholder

spread, will be sufficient for the purposes of these rules.

**(g) Rights Attaching to Shares**

The Company intends to seek confirmation from the BSX that, for the purposes of BSX Listing Rule 2.1(a), the rights attaching to the Shares satisfy the requirements of Chapter 4 of the BSX Listing Rules (as modified by the waivers and confirmations described in this Section) and that, for the purposes of BSX Listing Rule 4.1, the rights attaching to the Shares are “appropriate and equitable”.

**(h) Limit on New Shares Issues**

The Company intends to seek confirmation that, to the extent that the limit on new share issues in BSX Listing Rule 5.2 applies to the proposed Issue, the Issue is approved by the BSX for the purposes of that rule.

**(i) Registration of Share Transfers**

The Company intends to request a waiver from BSX Listing Rule 6.3 in order to permit the Directors of the Company to prevent a share transfer in accordance with the rules under the Constitution (see Section 7.2 above).

**(j) Rotation of Directors**

The company intends to request a waiver from BSX Listing Rule 11.20 (which requests the retirement by rotation of Directors) but only to the extent that the Company complies with the Directors’ retirement by rotation procedures set out in the Company’s constitution.

## **7.10 Bendigo Bank and the BSX**

The Bendigo Group is a shareholder in, and key supporter of, NSX Limited, the parent company of the market operator, Bendigo Stock Exchange Ltd (BSX).

In particular, Bendigo Bank has entered into a memorandum of understanding with BSX whereby Bendigo Bank and BSX have agreed to use their best endeavours to achieve the listing on the Bendigo Stock Exchange of all Community Bank® franchisees by August 2006. In any event, Bendigo Bank has undertaken to ensure that certain minimum numbers of applications to list on the Bendigo Stock Exchange will be made by Community Bank® franchisees and that most Community Bank® franchisees will be

listed by August 2006. Bendigo Bank has also agreed to use its best endeavours to ensure that, from 1 September 2004, all new Community Bank® franchisees will apply to list on the BSX. As part of these arrangements BSX has agreed to certain favourable fee arrangements for Community Bank® franchisees.

## **7.11 Consents and Disclaimer**

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, any omissions from, or any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

**(a) Peter S Glare & Associates** have given and have not, before lodgment of this Prospectus, withdrawn its written consent to be named as solicitors to the Company in the form and context in which it is named.

**(b) AFS & Associates Pty Ltd** has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion, in Sections 4.1, 4.2, 4.3 and 4.4 of this Prospectus, of the factual information obtained in the feasibility surveys.

**(c) BSX Group Holdings Ltd** has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion of the material set out in Sections 7.9 and 7.10 of this Prospectus.

**(d) Bendigo Bank** has given and has not, before lodgment of this Prospectus, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named and to the inclusion, in Sections 4.2, 4.3, 4.4 and 4.5 of this Prospectus, of the details of Bendigo Bank’s involvement in preparation of the forecasts.



## 7.12 Privacy Collection Statement

If you apply for Shares, you will provide personal information to the Company and the Company's Share Registrar. The Company and the Company's Share Registrar collects, holds and uses your personal information in order to:

- assess your application;
- service your needs as an investor; and
- provide facilities and services which you may request.

Some of the information which will be collected is required pursuant to tax and company legislation. If you do not provide the information requested, your share application may not be able to be processed efficiently, or at all.

The Company may disclose your personal information for purposes related to your investment to Bendigo Bank, to the Bendigo Stock Exchange and to related bodies corporate, agents and service providers of the Company and of Bendigo Bank or as otherwise authorised under the Privacy Act.

If you become a shareholder, your information may also be used or disclosed from time to time to inform you about products or services that the Company or Bendigo Bank thinks may be of interest to you. If you do not want your personal information to be used for this purpose, you should contact the Company Secretary in writing at the Company's Registered Address (see page 39).

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or Bendigo Bank. You can request access to your personal information held by the Company by contacting the Company's Company Secretary at the Company's Registered Office (see page 39). You can request access to your personal information held by Bendigo Bank by contacting Bendigo Bank as follows:

### **Bendigo Bank Help Desk**

You can obtain copies of the privacy policy of the Company by contacting their Company Secretary and copies of the privacy policy of Bendigo Bank are available at [www.bendigobank.com.au](http://www.bendigobank.com.au).

## 8. Definitions

**Applicant** – A person that applies for shares pursuant to this Prospectus.

**APRA** – Australian Prudential and Regulatory Authority.

**ASIC** – Australian Securities and Investments Commission.

**Bendigo Bank** – Bendigo Bank Limited (ABN 11 068 049 178).

**Bendigo Group** – Bendigo Bank and its related bodies corporate.

**Bendigo Stock Exchange or BSX**

– Bendigo Stock Exchange Ltd (ACN 087 708 898) or, as the context requires, the Bendigo Stock Exchange.

**BSX Listing Rules** – Listing rules of the BSX.

**Company** – Acacia Ridge Financial Services Limited (ACN 116 060 916)

**Corporations Act** – Corporations Act 2001 (Cth).

**Disclosure Document** – The disclosure document provided to the Company by Bendigo Bank under the Franchising Code.

**Franchising Code** – Franchising Code of Conduct.

**Issue** – Issue of Shares pursuant to this Prospectus.

**Offer** – Offer of Shares pursuant to this Prospectus

**Prospectus** – This Prospectus.

**Shares** – Ordinary shares in the Company issued at \$1.00.



## 9. Signatures

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC.  
Signed for and on behalf of the Company:

Victoria Louise Maguire

---

Linda Anne Beaumont

---

Peter Geoffrey Henderson

---

Paul Douglas Knight

---

Joan Margaret Rae

---

Trevor Maurice Loft

---

Mark Ledwidge

---

## **10. Directory**

### **Directors**

Victoria Louise Maguire  
Linda Anne Beaumont  
Peter Geoffrey Henderson  
Paul Douglas Knight  
Joan Margaret Rae  
Trevor Maurice Loft  
Mark Ledwidge

### **Company Secretary**

Linda Anne Beaumont

### **Solicitors**

Peter S Glare & Associates  
15 Lawrence Street  
BEAUFORT VIC 3373

### **Registered Office**

28 Elizabeth Street,  
ACACIA RIDGE QLD 4110

### **Accountants**

AFS & Associates Pty Ltd  
61-65 Bull Street  
BENDIGO VIC 3550

**Annexure A.  
Feasibility Study  
Pro-forma Survey.**

# Acacia Ridge needs it's own bank

## Complete this survey now

### Personal Banking Section

1. For your current needs, which of the following institutions do you bank with?

*Please tick more than one if applicable.*

- |   |   |
|---|---|
| <input type="checkbox"/> Bendigo Bank                             | <input type="checkbox"/> National Australia Bank      |
| <input type="checkbox"/> Commonwealth Bank                        | <input type="checkbox"/> Suncorp Metway               |
| <input type="checkbox"/> ANZ                                      | <input type="checkbox"/> Bank of Queensland           |
| <input type="checkbox"/> Westpac Banking Corporation              | <input type="checkbox"/> Heritage Building Society    |
| <input type="checkbox"/> Non-Banking (eg Credit Union, Solicitor) | <input type="checkbox"/> Other (please specify) _____ |

2. (a) How satisfied are you with the service you currently receive from your main financial institution?

*Please tick one box only.*

Not satisfied ☐ 1      ☐ 2      ☐ 3      ☐ 4      ☐ 5      Very Satisfied

(b) Please tell us any ways in which you feel your current service could be improved.

.....

.....

.....

- 3 Please *tick the box* that best describes your current form of occupation:

- |  |                                      |   |
|--|--------------------------------------|---|
| <input type="checkbox"/> Business proprietor | <input type="checkbox"/> Retired     | <input type="checkbox"/> Student/child                |
| <input type="checkbox"/> Employee            | <input type="checkbox"/> Home duties | <input type="checkbox"/> Other (please specify) _____ |

4. If you make **cash deposits**, what facilities do you currently use?

*Please tick more than one if applicable.*

	Number of transactions per week	Average value per transaction
<input type="checkbox"/> Over the counter (bank or non-bank)	_____	\$ _____
<input type="checkbox"/> Giro-post	_____	\$ _____
<input type="checkbox"/> ATM	_____	\$ _____
<input type="checkbox"/> Other (please specify).....	_____	\$ _____
	_____	_____

5. If you make **cash withdrawals**, what facilities do you currently use?

*Please tick more than one if applicable*

	Number of transactions per week	Average value per transaction
<input type="checkbox"/> Eftpos	_____	\$ _____
<input type="checkbox"/> Over the counter (bank or non-bank)	_____	\$ _____
<input type="checkbox"/> Giro-post	_____	\$ _____
<input type="checkbox"/> ATM	_____	\$ _____
<input type="checkbox"/> Other (please specify).....	_____	\$ _____
	_____	_____

## Acacia Ridge needs it's own bank

### Complete this survey now

6. Please **tick the 3 most important** account features that you currently require, or would require, on a regular basis.

- |   |   |
|---|---|
| <input type="checkbox"/> Cash deposits  | <input type="checkbox"/> Cash withdrawals     |
| <input type="checkbox"/> Cheque deposit | <input type="checkbox"/> Personal cheque book |
| <input type="checkbox"/> Phone banking  | <input type="checkbox"/> Bank cheque          |
| <input type="checkbox"/> Internet       | <input type="checkbox"/> Cheque cashing       |
| <input type="checkbox"/> Eftpos         | <input type="checkbox"/> ATM                  |
| <input type="checkbox"/> Credit card    |   |

7. (a) Please indicate the approximate **current total balance(s)** for the following accounts, if you have them, along with the financial institution providing the service:

#### PERSONAL SAVINGS ACCOUNT(S)

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$10,000  
☐ \$10,001 - \$20,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

#### PERSONAL TERM DEPOSIT(S)

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$25,000  
☐ \$25,001 - \$50,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

- (b) Please indicate the approximate **current total balance(s)** for the following accounts, if you have them, along with the financial institution providing the service:

#### PERSONAL CREDIT CARD\*

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$10,000  
☐ more, specify \_\_\_\_\_

**\*Note - Balance Not Limit**

Bank \_\_\_\_\_

#### PERSONAL LOAN

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$7,500  
☐ \$7,501 - \$12,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

#### HOME/INVESTMENT LOAN

- ☐ Don't have one  
☐ \$0 - \$40,000  
☐ \$40,001 - \$80,000  
☐ \$80,001 - \$100,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

8. In addition to existing facilities indicated in 7(b), if a facility were available to arrange **personal** borrowings either through overdrafts, loans, hire purchase and/or leasing, what would be the level of borrowings you would anticipate needing over the next three years? \$ \_\_\_\_\_

9. If a Community Bank® branch was to open in Acacia Ridge:

- (a) Would you be prepared to support it by transferring your banking within 12 months?

- ☐ NO  
☐ YES PART of your banking. Go to part (b)  
☐ YES ALL of your banking.

## Acacia Ridge needs it's own bank

### Complete this survey now

#### Completion of the following is entirely optional.

Please note: All your banking details are confidential and withheld by Bendigo Bank Limited. If you complete the details below, only your contact details will be forwarded to the Acacia Ridge Community Bank® branch.

I would be happy to be contacted by the Acacia Ridge Community Bank® branch staff about my banking business.

Name:

Address:

Postcode:

Telephone No:

**Please continue to the Business Banking Section if you own a business or manage a club / association.**

**Otherwise, you have completed the survey and we sincerely thank you for your time.**

**Please place it in the reply paid envelope to be received by Friday 15 July at the latest.**



# Acacia Ridge needs it's own bank

## Complete this survey now

### Business Banking Section

1. If you currently own a business, please indicate the type of business:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Service          | <input type="checkbox"/> Hospitality                  | <input type="checkbox"/> Manufacturing    |
| <input type="checkbox"/> Trade            | <input type="checkbox"/> Farming                      | <input type="checkbox"/> Club/Association |
| <input type="checkbox"/> Retail/Wholesale | <input type="checkbox"/> Other (please specify) _____ |   |

2. For your business needs, which of the following institutions do you bank with?

*Please tick more than one if applicable.*

- |   |   |
|---|---|
| <input type="checkbox"/> Bendigo Bank                             | <input type="checkbox"/> National Australia Bank      |
| <input type="checkbox"/> Commonwealth Bank                        | <input type="checkbox"/> Suncorp Metway               |
| <input type="checkbox"/> ANZ                                      | <input type="checkbox"/> Bank of Queensland           |
| <input type="checkbox"/> Westpac Banking Corporation              | <input type="checkbox"/> Heritage Building Society    |
| <input type="checkbox"/> Non-Banking (eg Credit Union, Solicitor) | <input type="checkbox"/> Other (please specify) _____ |

3. (a) How satisfied are you with the service you currently receive from your main financial institution?

*Please tick one box only.*

Not satisfied ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 Very Satisfied

(b) Please tell us any ways in which you feel your current service could be improved.

.....

.....

.....

4. If you make **cash deposits** or **cash withdrawals**, what facilities do you currently use?

*Please tick more than one if applicable.*

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Eftpos                              | <input type="checkbox"/> ATM       |
| <input type="checkbox"/> Over the counter (Bank or non-Bank) | <input type="checkbox"/> Giro-post |
| <input type="checkbox"/> Other (please specify) _____        |                                    |

5. (a) Please indicate the approximate **current total balance(s)** for the following accounts, if you have them, along with the financial institution providing the service:

#### BUSINESS CHEQUE DEPOSIT ACCOUNT(S) AT CALL

- ☐ Don't have one
- ☐ \$0 - \$20,000
- ☐ \$20,001 - \$50,000
- ☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

#### BUSINESS TERM DEPOSIT(S)

- ☐ Don't have one
- ☐ \$0 - \$20,000
- ☐ \$20,001 - \$50,000
- ☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

## Acacia Ridge needs it's own bank

### Complete this survey now

- (b) Please indicate the approximate **current total balance**(s) for the following accounts, if you have them, along with the financial institution providing the service:

<b>BUSINESS OVERDRAFT*</b>	<b>BUSINESS LEASING/ HIRE PURCHASE</b>	<b>OTHER LOAN FACILITIES</b>
<input type="checkbox"/> Don't have one	<input type="checkbox"/> Don't have one	<input type="checkbox"/> Don't have one
<input type="checkbox"/> \$0 - \$10,000	<input type="checkbox"/> \$0 - \$50,000	<input type="checkbox"/> \$0 - \$50,000
<input type="checkbox"/> \$10,001 - \$50,000	<input type="checkbox"/> \$50,001 - \$100,000	<input type="checkbox"/> \$50,001 - \$250,000
<input type="checkbox"/> More, Specify _____	<input type="checkbox"/> More, Specify _____	<input type="checkbox"/> More, Specify _____
<b>*Note - Balance Not Limit</b>		
Bank _____	Bank _____	Bank _____

6. In addition to existing facilities indicated in 6(b), if a facility were available to arrange **business** borrowings either through overdraft, loans, hire purchase and/or leasing, what would be the level of borrowings you would anticipate needing over the next three years? \$ \_\_\_\_\_

7. If a Community Bank® branch was to open in Acacia Ridge:

- (a) Would you be prepared to support it by transferring your banking within 12 months?

- ☐ NO  
☐ YES ALL of your banking.  
☐ YES PART of your banking. Go to part (b)

- (b) If you answered "YES, PART of your banking" in question 7 (a) please tick which facilities you would transfer.

- |   |  |
|---|--|
| <input type="checkbox"/> Business Savings Account     | <input type="checkbox"/> Business Cheque Account |
| <input type="checkbox"/> Business Term Deposit        | <input type="checkbox"/> Business Overdraft      |
| <input type="checkbox"/> Business Lease/Hire Purchase | <input type="checkbox"/> Other Loan Facilities   |

### Completion of the following is entirely optional.

Please note: All your banking details are confidential and withheld by Bendigo Bank Limited. If you complete the details below, only your contact details will be forwarded to the Community Bank® branch.

I would be happy to be contacted by the Community Bank® branch staff about my banking business.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_ Telephone No: \_\_\_\_\_

**Thank you for completing this survey. Please place it in the reply paid envelope to be received by Friday 15 July at the latest.**

# Acacia Ridge needs it's own bank

## Complete this survey now

### Personal Banking Section

1. For your current needs, which of the following institutions do you bank with?

*Please tick more than one if applicable.*

- |   |   |
|---|---|
| <input type="checkbox"/> Bendigo Bank                             | <input type="checkbox"/> National Australia Bank      |
| <input type="checkbox"/> Commonwealth Bank                        | <input type="checkbox"/> Suncorp Metway               |
| <input type="checkbox"/> ANZ                                      | <input type="checkbox"/> Bank of Queensland           |
| <input type="checkbox"/> Westpac Banking Corporation              | <input type="checkbox"/> Heritage Building Society    |
| <input type="checkbox"/> Non-Banking (eg Credit Union, Solicitor) | <input type="checkbox"/> Other (please specify) _____ |

2. (a) How satisfied are you with the service you currently receive from your main financial institution?

*Please tick one box only.*

Not satisfied ☐ 1      ☐ 2      ☐ 3      ☐ 4      ☐ 5      Very Satisfied

(b) Please tell us any ways in which you feel your current service could be improved.

.....

.....

.....

- 3 Please *tick the box* that best describes your current form of occupation:

- |  |                                      |   |
|--|--------------------------------------|---|
| <input type="checkbox"/> Business proprietor | <input type="checkbox"/> Retired     | <input type="checkbox"/> Student/child                |
| <input type="checkbox"/> Employee            | <input type="checkbox"/> Home duties | <input type="checkbox"/> Other (please specify) _____ |

4. If you make **cash deposits**, what facilities do you currently use?

*Please tick more than one if applicable.*

	Number of transactions per week	Average value per transaction
<input type="checkbox"/> Over the counter (bank or non-bank)	_____	\$ _____
<input type="checkbox"/> Giro-post	_____	\$ _____
<input type="checkbox"/> ATM	_____	\$ _____
<input type="checkbox"/> Other (please specify) _____	_____	\$ _____
	_____	_____

5. If you make **cash withdrawals**, what facilities do you currently use?

*Please tick more than one if applicable*

	Number of transactions per week	Average value per transaction
<input type="checkbox"/> Eftpos	_____	\$ _____
<input type="checkbox"/> Over the counter (bank or non-bank)	_____	\$ _____
<input type="checkbox"/> Giro-post	_____	\$ _____
<input type="checkbox"/> ATM	_____	\$ _____
<input type="checkbox"/> Other (please specify) _____	_____	\$ _____
	_____	_____

## Acacia Ridge needs it's own bank

### Complete this survey now

6. Please *tick the 3 most important* account features that you currently require, or would require, on a regular basis.

- |   |   |
|---|---|
| <input type="checkbox"/> Cash deposits  | <input type="checkbox"/> Cash withdrawals     |
| <input type="checkbox"/> Cheque deposit | <input type="checkbox"/> Personal cheque book |
| <input type="checkbox"/> Phone banking  | <input type="checkbox"/> Bank cheque          |
| <input type="checkbox"/> Internet       | <input type="checkbox"/> Cheque cashing       |
| <input type="checkbox"/> Eftpos         | <input type="checkbox"/> ATM                  |
| <input type="checkbox"/> Credit card    |   |

7. (a) Please indicate the approximate **current total balance(s)** for the following accounts, if you have them, along with the financial institution providing the service:

#### PERSONAL SAVINGS ACCOUNT(S)

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$10,000  
☐ \$10,001 - \$20,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

#### PERSONAL TERM DEPOSIT(S)

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$25,000  
☐ \$25,001 - \$50,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

- (b) Please indicate the approximate **current total balance(s)** for the following accounts, if you have them, along with the financial institution providing the service:

#### PERSONAL CREDIT CARD\*

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$10,000  
☐ more, specify \_\_\_\_\_

**\*Note - Balance Not Limit**

Bank \_\_\_\_\_

#### PERSONAL LOAN

- ☐ Don't have one  
☐ \$0 - \$5,000  
☐ \$5,001 - \$7,500  
☐ \$7,501 - \$12,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

#### HOME/INVESTMENT LOAN

- ☐ Don't have one  
☐ \$0 - \$40,000  
☐ \$40,001 - \$80,000  
☐ \$80,001 - \$100,000  
☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

8. In addition to existing facilities indicated in 7(b), if a facility were available to arrange **personal** borrowings either through overdrafts, loans, hire purchase and/or leasing, what would be the level of borrowings you would anticipate needing over the next three years? \$ \_\_\_\_\_

9. (a) As an existing Bendigo Bank customer, would you be prepared to support the Acacia Ridge Community Bank® branch with your banking:

- ☐ YES – all of my banking
 ☐ YES – part of my banking – go to part (b)
 ☐ NO

- (b) If YES – part of my banking, which accounts would you be prepared to transfer to the Acacia Ridge Community Bank® branch within the first 12 months?

- |   |         |  |         |
|---|---------|--|---------|
| <input type="checkbox"/> Personal Savings Account | \$..... | <input type="checkbox"/> Personal Cheque Account | \$..... |
| <input type="checkbox"/> Personal Term Deposit    | \$..... | <input type="checkbox"/> Personal Overdraft      | \$..... |
| <input type="checkbox"/> Personal Loan            | \$..... | <input type="checkbox"/> Home Loan               | \$..... |

## Acacia Ridge needs it's own bank Complete this survey now

**Completion of the following is entirely optional.**

Please note: All your banking details are confidential and withheld by Bendigo Bank Limited. If you complete the details below, only your contact details will be forwarded to the Acacia Ridge Community Bank® branch.

I would be happy to be contacted by the Acacia Ridge Community Bank® branch staff about my banking business.

Name:

Address:

Postcode:

Telephone No:

**Please continue to the Business Banking Section if you own a business or manage a club / association.**

**Otherwise, you have completed the survey and we sincerely thank you for your time.**

**Please place it in the reply paid envelope to be received by Friday 15 July at the latest.**

# Acacia Ridge needs it's own bank

## Complete this survey now

### Business Banking Section

1. If you currently own a business, please indicate the type of business:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Service          | <input type="checkbox"/> Hospitality                  | <input type="checkbox"/> Manufacturing    |
| <input type="checkbox"/> Trade            | <input type="checkbox"/> Farming                      | <input type="checkbox"/> Club/Association |
| <input type="checkbox"/> Retail/Wholesale | <input type="checkbox"/> Other (please specify) _____ |   |

2. For your business needs, which of the following institutions do you bank with?

*Please tick more than one if applicable.*

- |   |   |
|---|---|
| <input type="checkbox"/> Bendigo Bank                             | <input type="checkbox"/> National Australia Bank      |
| <input type="checkbox"/> Commonwealth Bank                        | <input type="checkbox"/> Suncorp Metway               |
| <input type="checkbox"/> ANZ                                      | <input type="checkbox"/> Bank of Queensland           |
| <input type="checkbox"/> Westpac Banking Corporation              | <input type="checkbox"/> Heritage Building Society    |
| <input type="checkbox"/> Non-Banking (eg Credit Union, Solicitor) | <input type="checkbox"/> Other (please specify) _____ |

3. (a) How satisfied are you with the service you currently receive from your main financial institution?  
*Please tick one box only.*

Not satisfied ☐ 1      ☐ 2      ☐ 3      ☐ 4      ☐ 5      Very Satisfied

(b) Please tell us any ways in which you feel your current service could be improved.

.....

.....

.....

4. If you make **cash deposits** or **cash withdrawals**, what facilities do you currently use?  
*Please tick more than one if applicable.*

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Eftpos                              | <input type="checkbox"/> ATM       |
| <input type="checkbox"/> Over the counter (Bank or non-Bank) | <input type="checkbox"/> Giro-post |
| <input type="checkbox"/> Other (please specify) .....        |                                    |

5. (a) Please indicate the approximate **current total balance(s)** for the following accounts, if you have them, along with the financial institution providing the service:

#### BUSINESS CHEQUE DEPOSIT ACCOUNT(S) AT CALL

- ☐ Don't have one
- ☐ \$0 - \$20,000
- ☐ \$20,001 - \$50,000
- ☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_

#### BUSINESS TERM DEPOSIT(S)

- ☐ Don't have one
- ☐ \$0 - \$20,000
- ☐ \$20,001 - \$50,000
- ☐ more, specify \_\_\_\_\_

Bank \_\_\_\_\_



## Acacia Ridge needs it's own bank

### Complete this survey now

(b) Please indicate the approximate **current total balance**(s) for the following accounts, if you have them, along with the financial institution providing the service:

BUSINESS OVERDRAFT*	BUSINESS LEASING/ HIRE PURCHASE	OTHER LOAN FACILITIES
<input type="checkbox"/> Don't have one	<input type="checkbox"/> Don't have one	<input type="checkbox"/> Don't have one
<input type="checkbox"/> \$0 - \$10,000	<input type="checkbox"/> \$0 - \$50,000	<input type="checkbox"/> \$0 - \$50,000
<input type="checkbox"/> \$10,001 - \$50,000	<input type="checkbox"/> \$50,001 - \$100,000	<input type="checkbox"/> \$50,001 - \$250,000
<input type="checkbox"/> More, Specify _____	<input type="checkbox"/> More, Specify _____	<input type="checkbox"/> More, Specify _____

**\*Note - Balance Not Limit**

Bank _____	Bank _____	Bank _____
------------	------------	------------

6. In addition to existing facilities indicated in 6(b), if a facility were available to arrange **business** borrowings either through overdraft, loans, hire purchase and/or leasing, what would be the level of borrowings you would anticipate needing over the next three years? \$ \_\_\_\_\_

7. As an existing Bendigo Bank customer, would you support the Acacia Ridge Community Bank® branch with your banking:

- ☐ YES – all of my banking
 ☐ YES – part of my banking – go to part (b)
 ☐ NO

(b) If YES – part of my banking, which accounts would you be prepared to transfer to the Acacia Ridge Community Bank® branch within the first 12 months?

- |   |  |
|---|--|
| <input type="checkbox"/> Business Savings Account     | <input type="checkbox"/> Business Cheque Account |
| <input type="checkbox"/> Business Term Deposit        | <input type="checkbox"/> Business Overdraft      |
| <input type="checkbox"/> Business Lease/Hire Purchase | <input type="checkbox"/> Other Loan Facilities   |

### Completion of the following is entirely optional.

Please note: All your banking details are confidential and withheld by Bendigo Bank Limited. If you complete the details below, only your contact details will be forwarded to the Community Bank® branch.

I would be happy to be contacted by the Community Bank® branch staff about my banking business.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Telephone No: \_\_\_\_\_

**Thank you for completing this survey. Please place it in the reply paid envelope to be received by Friday 15 July at the latest.**

## Application Details and Instructions

Please complete all relevant sections of the Application Form using BLOCK LETTERS

- A Enter the NUMBER OF SHARES you wish to apply for.
- Applications must be for the minimum of 500 and thereafter in multiples of 100. The maximum number of Shares that may be applied for is 20,000 (the Directors reserve the right to accept higher/lower amounts - refer to Section 1.2).
- B Enter the TOTAL AMOUNT of application money payable. To calculate the amount multiply the number of shares applied for by the amount per share.
- C Enter the FULL NAME(S) and TITLE(S) of all legal entities that are to be recorded as the registered holder(s). Refer to the Name Standards below for guidance on valid registration.
- D Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- E Enter telephone numbers and a contact person the Company Secretary can speak to if there are any queries regarding this application.
- F Payment must be made by cheque payable to ACACIA RIDGE FINANCIAL SERVICES LIMITED SHARE OFFER and crossed Not Negotiable. Cheques not properly drawn will be rejected. Cheques will be banked promptly after receipt. If cheques are dishonoured the application may be rejected.
- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the application relates. In particular, you should read the ownership and voting restrictions discussed in Sections 1.4, 7.2 and 7.3. The Applicant(s) offer(s) to subscribe for Shares in the Company, and agree(s) to be bound by the Constitution of the Company and the terms and conditions set out in this Prospectus. The Applicant(s) agree(s) to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to the Applicant(s) pursuant to the Prospectus. The Applicant(s) declare(s)

that all details and statements made in the Application Form are complete and accurate. The Application Form does not need to be signed.

- H Enter the Tax File Number(s) (TFNs), Australian Business Number(s) (ABNs) (where you make the investment in the course of carrying on an enterprise) or tax exemption categories (such as aged pension, invalid pension or non-profit organisation) of the Applicant(s). For joint applications, only the TFNs or ABNs of two applicants are required. Provision of your TFN, ABN or tax exemption category is not compulsory and will not affect your application. If your TFN, ABN or tax exemption category is not provided, the Company is required to deduct tax from your dividend entitlement at the maximum personal tax rate plus the Medicare levy, which currently totals 48.5%.

### Payment

Payment must be made in Australian Currency and cheques must be drawn on an Australian Bank. Cheques or bank drafts must be payable to ACACIA RIDGE FINANCIAL SERVICES LIMITED and crossed Not Negotiable. Cheques not properly drawn will be rejected. Cheques will be banked promptly after receipt. If cheques are dishonoured the application may be rejected.

### Where to send application form

Forward your completed application together with the application money to:  
Acacia Ridge Financial Services Limited  
Share Offer  
PO Box 187  
Acacia Ridge Qld 4110

### Name Standards

- Salutations such as Mr, Mrs and Ms should be included.
- The full and correct name of each entity must be shown.
- Only legal entities may be registered as the holder of securities.
- Securities cannot be registered in the name of a trust and no trust can be implied.
- Securities cannot be registered in the name of a minor or deceased person.
- An account designation can be included. If shown, it must be contained within one line and with the "<>" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company: Use the Company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: Individual Trustees Use the trustee(s) personal names	Mrs Susan Jane Smith <Sue Smith Family Trust A/C>	Sue Smith Family Trust
Trusts: Corporate Trustees Use the name of the trustee	Sue Smith Pty Ltd	Sue Smith Family Trust
Deceased Estates: Use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): Use the name of a responsible adult with appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: Use the partners' personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith & Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Club/Unincorporated Bodies/ Business names: Use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association Inc>	ABC Tennis Association
Incorporated Associations	ABC Tennis Association Inc	ABC Tennis Association
Superannuation Funds: Use the name of the fund trustee	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

### Queries

If you have any queries concerning this Offer or any part of this Prospectus, please call Vicki Maguire 0407 882 881, Paul Knight 3255 6200 or Peter Henderson 3272 8033.

# ACACIA RIDGE FINANCIAL SERVICES LIMITED

# PUBLIC SHARE OFFER APPLICATION FORM

DO NOT STAPLE

PLEASE READ ALL INSTRUCTIONS ON THE BACK OF THIS FORM

A I/We apply for

					Shares in Acacia Ridge Financial Services Limited at A\$1.00 per share
--	--	--	--	--	--

or such lesser number of Shares which may be allocated to me/us by the Directors.

B I/We lodge full application monies

\$						.	0	0
----	--	--	--	--	--	---	---	---

Multiply the number of Shares applied for by \$1.00 (ie 2000 Shares = \$2000.00)

C Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

[illegible]

ABN (if applicable)

A horizontal number line with 15 equally spaced tick marks, labeled from 1 to 15.

Joint Applicant #2 or <designated account>

[illegible]

Joint Applicant #3 or &lt;designated account&gt;

[illegible]

D Postal Address (PLEASE PRINT)

Street Number      Street

[illegible][illegible]

Suburb/Town

State

Postcode

[illegible]

11

\_\_\_\_\_

## E Contact Name

[illegible]

Email

[illegible]

## Telephone Number - Business Hours

Telephone Number - After Hours

(			)								
---	--	--	---	--	--	--	--	--	--	--	--

(			)									
---	--	--	---	--	--	--	--	--	--	--	--	--

Mobile

| | | | | | | | | |

## F Cheque Details

Drawer	Bank	Branch	BSB	Amount

G This Application Form does not need to be signed. By lodging, or causing to be lodged, this Application Form and a cheque for the full monies I/we hereby:

- 1 offer to subscribe for Shares in the Company;
- 2 agree to be bound by the Constitution of the Company, and by the terms and conditions set out in the Prospectus;
- 3 agree to take any number of Shares equal to or less than the number of Shares indicated in Box A that may be allotted to me/us pursuant to this Prospectus; and
- 4 declare that all details and statements made by me/us in this Application Form are complete and accurate.

A person lodging this Application Form on behalf of the above-named Applicant(s) hereby confirms that the Applicant(s) has/have consented to the above terms.

H Tax File Number (TFN), Australian Business Number (ABN) or tax exemption category (where applicable):

TFN of Applicant #1

OR

ABN of Applicant #1

\_\_\_\_\_

TFN of Applicant #2

TFN of Applicant #3

\_\_\_\_\_

OR Tax exemption category

Applicant #1:

Applicant #2:

Applicant #3:

# ACACIA RIDGE FINANCIAL SERVICES LIMITED

# PUBLIC SHARE OFFER APPLICATION FORM

DO NOT STAPLE

PLEASE READ ALL INSTRUCTIONS ON THE BACK OF THIS FORM

A I/We apply for

					Shares in Acacia Ridge Financial Services Limited at A\$1.00 per share
--	--	--	--	--	--

or such lesser number of Shares which may be allocated to me/us by the Directors.

B I/We lodge full application monies

\$						.	0	0
----	--	--	--	--	--	---	---	---

Multiply the number of Shares applied for by \$1.00 (ie 2000 Shares = \$2000.00)

C Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

[illegible]

ABN (if applicable)

A horizontal number line with 15 tick marks, labeled from 1 to 15.

Joint Applicant #2 or <designated account>

| | | | |

Joint Applicant #3 or &lt;designated account&gt;

[illegible]

D Postal Address (PLEASE PRINT)

Street Number	Street
---------------	--------

[illegible][illegible]

Suburb/Town

State

Postcode

[illegible]

11

\_\_\_\_\_



[illegible][illegible]

(			)									
---	--	--	---	--	--	--	--	--	--	--	--	--

(			)								
---	--	--	---	--	--	--	--	--	--	--	--

Drawer	Bank	Branch	BSB	Amount

Applicant #1:

Applicant #2:

Applicant #3:

