

24 January 2007

## **COMPANY ANNOUNCEMENT**

Further to the Listing rule 3.17(c) the following information was not included in the 2006 Annual Report and can be seen below:

### **Corporate governance**

The company recognises the need for the provision of strategic direction and sound oversight by the Board, to enable management to carry out its responsibilities within broadly defined parameters and without the day to day intervention of the Board.

The company has adopted policies which define the different roles of Board and management, and which govern the way in which the Board discharges its duties. Additionally, the Franchise Agreement which governs the Company's operations as a Bendigo Bank **Community Bank®** branch also sets out roles and responsibilities of both the Board and the management.

### **Role of the Board**

It is the role of the Board to provide strategic leadership. It does this by having a focus on the future, and acting proactively to identify new opportunities for developing the Company's operations. The Board has a committee which meets to discuss strategic issues which then reports to the monthly Board meetings.

### **Role of Management**

It is the role of management to carry out the day to day operations of the business, supervising branch staff and liaising with customers, sponsored groups, Bendigo Bank Ltd and other stakeholders within our community.

The Manager has undertaken all training required by Bendigo Bank Ltd., and the Board considers any additional training to ensure the role of Manager is carried out diligently.

The Manager reports in writing to the Board at its monthly business meetings on matters such as business development, staffing, compliance with Financial Services legislation, and any branch issues which need to be brought to the attention of the Board.

## **Board structure**

The Board is composed of eleven individuals, many of whom have experience in running small businesses or as Managers in companies or corporations.

The Board has established a number of committees to assist it with its ongoing business. These are: Audit, Strategy and Governance, Human Resources, Marketing and Sponsorship.

Board members are appointed for three year terms, and are able to offer themselves for re-election at the expiration of each term.

During 2006, the Board undertook a training program run by the Australian Institute of Company Directors, designed especially to introduce **Community Bank®** Directors to the legal and fiduciary responsibilities of Directors. This was attended by most of the directors.

## **Board conduct**

The Company has a policy setting out the conduct expected of the Board and its members. Under this policy, the Board has committed itself to carrying out its duties in an ethical manner. The Board recognises its legal duty to act in good faith, for the benefit of Shareholders, and to either avoid or declare all or any potential conflicts of interest which may arise.

The Board is cognizant that the Company represents Bendigo Bank Ltd in its operations, and seeks to avoid any activity which may bring Bendigo Bank or the **Community Bank®** network into disrepute.

The Board also recognises its responsibility to provide a secure workplace environment for Company staff, ensuring that all staff are treated with due respect.

## **Financial Reporting**

The Board has appointed a treasurer who is responsible for keeping accurate and up-to-date books of account, and for complying with all legal accounting requirements such as reports to the Bendigo Stock Exchange, the Tax Office, and the Australian Securities and Investment Commission. The Treasurer is an Accountant.

The treasurer provides a written management report to the Board's monthly business meeting, giving cash flow information as well as actual results compared with budget.

### **Shareholder rights**

The Company recognises the rights of Shareholders to have regular and up-to-date information concerning the progress of the Company. During 2006, the Company enhanced those rights by applying for and gaining listing on the Bendigo Stock Exchange (BSX). Shareholders now have the ability to access the half-yearly accounts of the Company as well as having the annual accounts mailed to them and having the opportunity to attend the Annual General Meeting of the Company.

### **Risk Management**

The Company has established a risk register, detailing perceived risks to the business and measures taken to either eliminate, mitigate and/or insure those risks. This register is reviewed annually by the Board.

**MARGARET BUTLER**  
**Company Secretary**