

16th October 2010

Dear Shareholder,

## **DIVIDENDS 2010**

I am delighted to announce on behalf of the Board of Directors a profit after tax of \$155,911 for the Financial Year 2010. This will result in a final dividend of 8 cents per share fully franked, which will be recorded on 15th November with payment on 30th November 2010.

## **BOARD OF DIRECTOR ROLE CHANGES**

At the Board level I am pleased to advise that Director Ross McDermott has taken on the role of Company Secretary following the resignation of Director Ken Franks as Board Secretary.

Director Allen Borella has recently been appointed Deputy Chair, a role previously not formalised.

## **SHAREHOLDER INFORMATION EVENING**

At the Shareholders Information Evening held on Wednesday 14th July, 2010 at St Anne's Primary School, the following were in attendance: a small number of Shareholders, Directors, our Manager and a member of his staff, our Marketing Consultant and a senior representative from Bendigo Bank.

The Chairman presented an overview of the resolutions by the Board pertaining to Shareholder matters raised at the 2009 AGM. Shareholders indicated support for Director Remuneration, asked questions in relation to Community Banking and the Kew Branch campaign. Answers were provided by the Chair, Directors, our Manager and Bendigo staff. It was resolved to provide details of the value of Sponsorships and Community Grants to Shareholders through the Manager at the Kew East Branch. This information is available on request.

## **AGM 2010**

The 2010 AGM has been scheduled for Wednesday 17th November starting at 6:00pm for 6:30pm, at the Kew Golf Club, 120 Belford Road, Kew East. Please find enclosed the AGM Notice of Meeting with Resolutions.

The Board would like to encourage Shareholders to be actively involved on matters requiring resolution at the AGM. Shareholders who are unable to attend the AGM may complete a Proxy Form and return to the Company Secretary, c/ the Branch address noted below. The Chair will announce proxy votes prior to any vote being put at the AGM.



## CONSTITUTION

Bendigo and Adelaide Bank Limited have drafted an updated Constitution for use by Community Banks and recommend Constitutions be updated.

The Board is of the view that it is desirable to ensure the Constitution is a contemporary document and significant areas where the new Constitution will improve on the existing Constitution include:

- Changes brought about by technology;
- Listing of the company;
- The community focus of the company.

The complete proposed Constitution, together with a letter from the company solicitor may be viewed at:

[http://www.bendigobank.com.au/public/community\\_bank/community\\_bank.asp?name=kew\\_east](http://www.bendigobank.com.au/public/community_bank/community_bank.asp?name=kew_east)

## COMMUNITY GRANTS ANNOUNCEMENT

The AGM will be followed by the announcement of the successful Community Grant recipients for 2010. We hope you will be able to stay with us for this part of the evening, to join with the award recipients and celebrate this important aspect of our Community Bank® success.

## ANNUAL REPORT

I am pleased also to advise that our 2010 Annual Report is now available. Please find enclosed a copy unless you have previously requested delivery via email.

On behalf of the Board, I would like to thank you for your continued support and I look forward to your ongoing commitment to help us grow your Company and make a difference to our Community.

Yours faithfully,



**Rod Albury**  
**Chairman**  
**Kew East Financial Services Ltd**

Contact details:

**Mobile: 0438 118 148**

**Email: [rodalbury@netspace.net.au](mailto:rodalbury@netspace.net.au)**

# **Notice of Annual General Meeting**

## **Kew East Financial Services Ltd A.B.N. 91 096 301 058**

**To be held at 6.30pm on Wednesday 17<sup>th</sup> November 2010  
at Kew Golf Club, 120 Belford Road, Kew East.**

Please note registration commences at 6.00pm.

### **1. Ordinary Business**

#### **(i) Receipt of Annual Report**

To receive the Company Financial Report, the Directors Report and the Auditors Report for the year ended 30 June 2010.

#### **(ii) Election of Directors**

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:-

- (a) 'THAT Paula Davey be elected as a Director of the Company;'
- (b) 'THAT Ross McDermott be elected as a Director of the Company;'
- (c) 'THAT Rod Albury be re-elected as a Director of the Company;'
- (d) 'THAT Kenneth Franks be re-elected as a Director of the Company;'
- (e) 'THAT Allen Borella be re-elected as a Director of the Company.'

### **2. Resolution on Remuneration Report – year ended 30 June 2010**

To consider, and if thought fit, pass the following as an ordinary resolution.

'To adopt the Remuneration Report for the year ended 30 June 2010.'

### **3. Appointment of Auditor**

To consider, and if thought fit, pass the following as an ordinary resolution.

'THAT Richmond Sinnott & Delahunty be appointed as Auditor of the company.'



#### **4. Directors Remuneration – year ended 30 June 2011**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution.

‘THAT the sum of an amount not exceeding \$30,000 *per annum* be approved as a pool of funds from which to remunerate Directors for the time spent in the proper exercise of their duties as Directors of the company with the exact appropriation of these funds between individual Directors is to be delegated to the Board.’

The Directors will not vote on this resolution.

#### **5. Adoption of New Constitution**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

‘THAT the Constitution tabled at the meeting and signed by the Chairman of the meeting for the purposes of identification, be adopted as the Constitution of the Company in place of the present Constitution, with effect from the close of the meeting.’

#### **6. Any Other Business**

##### **Attending the Meeting**

All Shareholders may attend the Annual General Meeting.

*Joint Holders:* In the case of joint Shareholders, all holders may attend the Meeting. If only one holder attends (including by proxy), that shareholder may vote at the Meeting as if that holder were solely entitled to the shares. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register may vote.

*Corporate Shareholders:* A corporate Shareholder may appoint one or more persons to act as its representative under Section 250D of the Corporations Act, but only one representative may exercise the corporate Shareholders powers at any one time. The company requires written evidence of a representatives appointment to be given to the Company before the meeting.

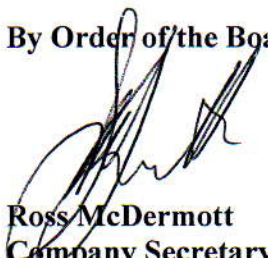
*Proxy:* If you are unable to attend the Meeting, you are entitled to appoint a proxy to attend and vote. See the attached Proxy Form for information on appointing a Proxy.

## **Voting Rights**

Each Shareholder is entitled to one vote.

For the purposes of voting at the Meeting, shares will be taken to be held by the persons who are registered as members as at 5.00pm on 15 November 2010.

**By Order of the Board**



**Ross McDermott**  
**Company Secretary**  
**16 October 2010**

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

## **Explanatory Notes**

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

### **Agenda Item 1(i) Receipt of Annual Report**

The Corporations Act requires the financial statements including the directors and auditor's reports to be laid before the Annual General Meeting (AGM).

### **Agenda Item 1(ii) Election of Directors**

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

Paula Davey was appointed Director on 28 April 2010. Ms Davey was a local councillor and has extensive connections with community organisations. From her experience, she can bring to the company the skills of a consultant and facilitator.

Ross McDermott was appointed Director on 10 March 2010. He is a Chartered Accountant, Tax Agent and Company Liquidator.



Rod Albury retires in accordance with the Corporations Act 2001 and being eligible offers himself for re-election.

Kenneth Franks retires in accordance with the Corporations Act 2001 and being eligible offers himself for re-election.

Allen Borella retires in accordance with the Corporations Act 2001 and being eligible offers himself for re-election.

### **Agenda Item 2 Remuneration Report**

The Corporations Act (Section 249L) requires a resolution that the remuneration report contained in the Company's annual report be adopted. The resolution is advisory only and does not bind the Directors of the company, however the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

### **Agenda Item 3 Appointment of Auditor**

Armstrong & Partners retired as the company Auditor for internal reasons associated with their firm, effective 17 March 2010. The Board conducted a tender process which resulted in appointment of Richmond Sinnott & Delahunty Chartered Accountants as Auditor. The Corporations Act requires this decision by the Board ratified by the Shareholders.

### **Agenda Item 4 Director Remuneration – Year ended 30 June 2011**

At the shareholders information evening in July 2010, shareholders indicated support for Director remuneration. It is proposed that the Board have discretion as to how a maximum of \$30,000.00 is expended for Director remuneration excluding monies paid to Mrs Paula Davey in her position as Board Convenor.

Commencing 16 August 2010, Mrs Davey accepted a remunerated role as Board Convenor as the Directors resolved the volume of work required input on a paid rather than voluntary level.

Like all Directors, Mrs Davey is presently not remunerated for her Directorship duties however is remunerated for her Board Convenor activities.

The Board is of the view that Director remuneration is necessary in order to ensure that an appropriately experienced and qualified group of Directors is attracted to the company to ensure that its success continues.

### **Agenda Item 5 New Constitution**

The current Constitution was adopted upon incorporation. Bendigo and Adelaide Bank Limited have drafted an updated Constitution for use by community banks and recommend Constitutions be updated.

The Board is of the view that it is desirable to ensure the Constitution is a contemporary document and significant areas where the new Constitution will improve on the existing Constitution include:

- Changes brought about by technology;
- Listing of the company;
- The community focus of the company.

Copies of the complete proposed Constitution, together with a letter from the company solicitor, are available from the Branch and will be available at the Annual General Meeting.

The complete proposed Constitution, together with a letter from the company solicitor may be viewed at:

[http://www.bendigobank.com.au/public/community\\_bank/community\\_bank.asp?name=kew\\_east](http://www.bendigobank.com.au/public/community_bank/community_bank.asp?name=kew_east)

The Board recommends the new Constitution should be adopted.

# Proxy Form

Kew East Financial Services Ltd  
ABN 91 096 301 058

All correspondence to:  
Kew East Financial Services Ltd  
661a High Street, Kew East  
VIC 3102 Australia  
Enquiries 03 9859 7699  
Facsimile 03 9859 6944

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## Appointment of proxy

I/We being a member/s of Kew East Financial Services Limited and entitled to attend and vote appoint the person named below, or, if no person is named below, the Chairman of the Meeting as my/our proxy to vote in accordance with directions as set out below (with a discretion as to any business not referred to below) or, if no directions are given, as my/our proxy sees fit, at the Annual General Meeting of the Company to be held at Kew Golf Club, 120 Belford Road, Kew East on Wednesday 17 November 2010 at 6.30pm and at any adjournment of that meeting.

☐

The Chairman of the Meeting  
(mark with an 'X')

OR

☐

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

Voting directions to your proxy – please mark

X

to indicate your directions

	For	Against	Abstain*
Agenda Item 1(i). Receipt of Annual Report (vote not required)			
Agenda Item 1(ii). Election / re-Election of Directors			
- Paula Davey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Ross McDermott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Rod Albury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Kenneth Franks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Allen Borella	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agenda Item 2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agenda Item 3. Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agenda Item 4. Directors Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agenda Item 5. Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in working out the required majority of the poll.

**PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or shareholder 1

Sole Director and  
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Kew East Financial Services Limited  
A.B.N. 91 096 301 058  
Registered Office – 661a High Street, Kew East, Victoria, 3102

## How to complete your proxy form

### 1 Your name and address

Please insert your name and address. Please note, you cannot change ownership of your shares using this form.

### 2. Appointment of a proxy

A member entitled to attend and vote at the Meeting may appoint one proxy. A proxy need not be a member of the Company. A proxy may be an individual or a company.

### 3. Identity of proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, the Chairman of the Meeting will act as your proxy.

### 4. Voting instructions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 5. Signing instructions

The proxy form must be signed in the spaces provided.

*Individual:* If the holding is in one name, the holder must sign.

*Joint holding:* If the holding is in more than one name, any holder may sign.

*Power of attorney:* To sign under power of attorney, you must have already lodged this document with the Company or attach a certified copy of the power of attorney to this form when you return it.

*Companies:* If the Company has a sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (under section 204A of the Corporations Act 2001) does not have a Company Secretary, a sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the Company is to attend the meeting, the appropriate 'Certificate of Appointment of Corporate Representative' must be produced before admission to the meeting.

#### Lodging Instructions

This proxy form (and any power of attorney under which it is signed) must be received by the Company not less than 2 business days before the meeting (i.e. by 5.00pm on 15 November 2010). Any Proxy Form received after that time will not be valid for the scheduled meeting. Documents may be lodged by either of the following ways:

- By post or hand delivery to the Company's registered office at 661a High St., Kew East, Victoria, 3102
- By facsimile to 03 9859 6944.