

Notice of Annual General Meeting

Rye & District Community Financial Services Limited
A.B.N. 67 095 766 895

**To be held at 6.30pm for 7.00pm on Wednesday 31st October 2007
at Rye Community Hall, Napier Street, Rye**

Ordinary Business

1. Receipt of Annual Report

To receive the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2007.

2. Election of directors

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

- (a) That Janet Hall who retires by rotation and offers herself for re-election, be elected as a director of the Company.
- (b) That Barry Irving who retires by rotation and offers himself for re-election, be elected as a director of the company
- (c) That Peter Van Duren who retires by rotation and offers himself for re-election, be elected as a director of the Company.
- (d) That Stephen Edmund who was appointed by the Board during the year and being so eligible for re-election, be elected as a director of the company
- (e) That Andrew Emerson who was appointed by the Board during the year and being so eligible for re-election, be elected as a director of the company.

Special Business

3. Remuneration report

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

That the remuneration report be adopted.

4. Director Remuneration

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

That the Board be authorised to pay by way of remuneration to the non-executive Directors appointed under Rule 52 (1) and (2) of the Company constitution, an amount not exceeding the sum of \$100,000 in aggregate per annum from the date of this resolution, such amount to be distributed amongst the said Directors at the discretion of the Board.

5. General 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 shareholder: 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 shareholder's powers at any one time. The Company requires written evidence of a representative's appointment to be given to the Company before the Meeting.

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

Voting 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 Monday 29th October 2007.

By order of the board

Eileen Naylor

Company Secretary
25 September 2007

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 2: Election of directors

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

- (a) Janet Hall retires by rotation in accordance with the constitution of the Company, and being eligible, offers herself for re-election.
- (b) Barry Irving retires by rotation in accordance with the constitution of the Company, and being eligible, offers himself for re-election.
- (c) Peter Van Duren retires by rotation in accordance with the constitution of the Company, and being eligible, offers himself for re-election.
- (d) Stephen Edmund, as a result of his role as Chairman of the Dromana Steering Committee, under section 52(2) of the company's constitution, was appointed during the 2006-2007 financial year to fill a casual vacancy on the board.

Under the same Section 52(2) of the company constitution, it is necessary for any director appointed to fill a casual vacancy to stand for election at the next Annual General Meeting.

Accordingly, being eligible, Mr Edmund offers himself for election to the board.

- (e) Andrew Emerson, as a result of his role as Secretary of the Dromana Steering Committee, under section 52(2) of the company's constitution, was appointed during the 2006-2007 financial year, to fill a casual vacancy on the board.

Under the same Section 52(2) of the company constitution, it is necessary for any director appointed to fill a casual vacancy to stand for election at the next Annual General Meeting.

Accordingly, being eligible, Mr Emerson offers himself for election to the board.

Agenda Item 3: Remuneration Report

The Corporations Act requires a resolution that the remuneration report contained in the Company's annual report [and concise report] be adopted, be put to the vote. The resolution is advisory only and does not bind the directors of the Company.

Agenda Item 4: Director Remuneration

Rule 53 (1) of the Company constitution permits that Directors may be remunerated for the services provided to the Company.

At the 2006 Annual General Meeting, shareholders approved a resolution authorising the Board to pay, by way of remuneration to the non-executive Directors appointed under Rule 52 (1) and (2) of the Company constitution, an amount not exceeding the sum of \$90,000 in aggregate per annum, such amount to be distributed amongst the said Directors at the discretion of the Board.

At the time of this resolution being passed, the board comprised of nine (9) directors.

The board now comprises ten (10) directors and this resolution seeks to increase the aggregate level of remuneration up to a sum of \$100,000 to enable the additional director to be remunerated in accordance with the level provided to the other directors.

This resolution seeks shareholder approval to provide an aggregate amount of up to \$100,000 per annum; including superannuation guarantee contributions, to be apportioned by the Board to reflect the responsibility carried by each Director in the execution of his/her duties.

Provision for this expenditure has been made in 2007/08 annual budget.

It is not envisaged that the number of directors will increase during the 2007-2008 financial year.