

Minutes of the Annual General Meeting of the Rye & District Community Financial Services Limited (A.B.N. 67 095 766 895) held at 7.00pm in the Rye Civic Hall, Napier Street, Rye, Victoria 3941 on Wednesday 31st October 2007

Present: 66 Shareholders in attendance including
Board Members: Peter Van Duren (Chairman)
Shane McCarthy (Deputy Chairman)
Eileen Naylor (Secretary)
Andrew Emerson
Stephen Edmund
Jan Hall
Barry Irving
Trevor Lloyd

Bryan Payne – JSP Partners (Accountants)
Graeme Stewart – AFS (Auditors)
Michael Petering – BBL (Regional Manager)
Gary Sanford – (Senior Manager)
Tony Harford – (Board Administration Officer)

Apologies:	William Fechner	Lyle Fechner
	Pat Sansonetti	Josie Sansonetti
	Aidan Irving	Julieanne Linstead
	William Holmes	Norma Holmes

The Chairman opened the meeting at 7.00pm and confirmed that, as there was a quorum in attendance, the meeting could proceed.

He welcomed all attendees and introduced each of the Board Members and the Manager. He acknowledged the presence of Michael Petering from BBL; Bryan Payne from JSP Partners, the company accountants; Graeme Stewart from ASF, the company auditors as well as Mr Greg Hunt MP, Member for Flinders, Cr Tim Rogers, Mayor of Mornington Peninsula Shire and other Councillors of the shire.

Notice of Meeting

The Chairman confirmed that the notice of meeting had been distributed to all registered shareholder addresses in accordance with s251a of the Corporations Act 2001. There being no objections, it was accepted that all members present had received the notice and that it was appropriate for the meeting to proceed.

Minutes of Previous Annual General Meeting

The minutes of the previous Annual General Meeting held on 25th October 2006 were approved by the Board and signed by the Chairman and accepted by the members present without question or amendment.

The Chairman advised that a copy of these minutes was available for inspection by any member present.

Proxies

The Chairman advised that 44 valid proxies had been received and recorded all voting in favour of the motions or with the chair except for two voting against and one abstaining from Special Resolution, Item No. 4 relating to an increase in Director remuneration.

Chairman's Report

Peter presented his report to shareholders noting that the company had experienced another very successful year.

He specifically commented upon:

- The successful launch, opening and operation of the Dromana branch
- The outstanding efforts of the Dromana Steering Committee
- The employment of 17 local people in our banking operations
- Continued growth
- Continuing profitability
- The allocation of over \$396,000 in community grants, donations and sponsorships during the year
- The decision to hold two grants' distribution events in 2006.

Peter announced that the fully-franked dividend for the financial year would be 3 cents per share, with a record date of 31st October 2007 and payment on 20th November 2006.

Peter expressed the appreciation of the Board to all who had contributed to the exceptional result, paying special tribute to the efforts of Gary Sanford, Senior Manager and his team.

Manager's Report

Gary Sanford addressed the meeting and highlighted the growth in the operations of the business during the past twelve months of \$27.17 million.

Gary confirmed that the growth in business was attributable to the sense of 'community' which was evident amongst shareholders and customers but stressed that more 'word of mouth' endorsement was needed to increase community awareness of the benefits derived from dealing with the bank.

Gary thanked the team of dedicated staff members for the contribution they had made to the result and presented every staff member to the meeting as a tangible form of acknowledgement. He paid special mention to the support of his wife and family which enabled him to represent the Bank throughout the community.

Annual Financial Report

The Chairman drew shareholder attention to the statement of the financial affairs of the company published in the Annual Report.

The Chairman asked for questions from shareholders relating to the Annual Report and, being none, moved that the annual report be accepted. The motion was seconded by Coral Lewis and passed unanimously.

Election of Directors

The Chairman advised that three directors, Janet Hall, Barry Irving and himself had retired by rotation and, being eligible, had offered themselves for re-election.

He also advised that Stephen Edmund and Andrew Emerson who had been appointed to the board during the year offered themselves for election at this Annual General Meeting in accordance with the company constitution

His motion that **Stephen Edmund** be elected to the board was seconded by Michael Sweetnam and passed unanimously.

His motion that **Andrew Emerson** be elected to the board was seconded by Leanne Mantle and passed unanimously.

His motion that **Janet Hall** be re-elected to the board was seconded by Wendy Betts and passed unanimously.

His motion that **Barry Irving** be re-elected to the board was seconded by Keith Lark of the Rye RSL and passed unanimously.

Mr Van Duren then stood down from the Chair as the next motion involved his re-election to the Board.

Mr Shane McCarthy, Deputy Chairman, assumed the chair and moved that **Peter Van Duren** be re-elected to the Board. This motion was seconded by Graeme Hind and passed unanimously.

Peter Van Duren then resumed the Chair.

Remuneration Report

The Chairman moved that the Remuneration Report as published in the Annual Report be adopted in accordance with the provisions of the Corporations Act and invited questions from the shareholders present.

There being no questions, the motion was seconded by Richie Davidson and carried unanimously.

Director Remuneration

The Chairman referred shareholders to the agenda item relating to Director Remuneration and invited questions from the floor.

There being no questions, the Chairman moved that the following resolution pertaining to Director Remuneration be adopted 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

The motion was seconded by Ian Lloyd and carried.

Regional Manager's Address

The Chairman welcomed Mr Michael Petering, the Bendigo Bank Regional Manager, who congratulated the Board and staff on another year of outstanding results.

Michael commented upon the success of the Dromana branch, already recording significant volumes and growth of business.

He noted that the Rye example was often held up to other communities who were contemplating or operating the community bank model in their area

Michael said that a successful business in Rye offered a gift of sustainability to the community. He congratulated shareholders and thanked them for their commitment and support.

Address by Members of the Youth Parliament Team

As a demonstration of its commitment to the youth of the Southern Peninsula area through its support of the Rye Youth Centre in conjunction with the YMCA, Mat Brincat from Rosebud Secondary College (year 12) and Riley Gay from Dromana Secondary College (year 11), who participated in the YMCA Youth Parliament initiative, addressed the meeting recounting their experience in the project and expressing their appreciation for the opportunities which had befallen them as a result of their involvement in the Youth Centre.

Their addresses were met with great enthusiasm and applause.

Close of Meeting

The Chairman closed the meeting at 7.45pm, thanking Ken Ferguson for his assistance with the sound equipment, “Baked on Rye” for providing the refreshments and Barry Irving for producing the audio visual display screened during the meeting.

Confirmation of Minutes:

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Peter Van Duren
Chairman

27 November 2007