

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 29th October 2008

Present: 81 Shareholders* in attendance, including

Board Members: Peter Van Duren (Chairman)
Shane McCarthy (Deputy Chairman)
Eileen Naylor (Secretary)
Pat Tonks (Treasurer)
Andrew Emerson
Stephen Edmund
Jan Hall
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)

(* A full list of shareholders attending is retained in the company files.)

Apologies: Barry Irving Ian Lloyd
Gus Glavici Pam Lloyd
Lois Collis

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 and Graeme Stewart from ASF, the company auditors.

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 31st October 2007 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

At the request of the Chairman, the Company Secretary, Eileen Naylor, advised that 45 valid proxies had been received. All proxies had been vested in the Chair.

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 integration and operation of the Dromana branch
- The exceptional contribution of the Managers and staff
- Continued growth
- Continuing profitability
- The allocation of over \$230,000 in community grants, donations and sponsorships to 58 local organisations during the year
- The recognition provided by peer groups and the community to Chris Broderick, Val Jarman, Tim Ling and both the Rye and Dromana branches.
- The successful partnership with Bendigo & Adelaide Bank Limited, through the assistance of our Regional Manager, Michael Petering.

Peter announced that the fully-franked dividend for the financial year would be 2 cents per share, with a record date of 31st October 2008 and payment on 20th November 2008.

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 exceptional growth recorded in the operations of the business during the past twelve months.

He paid special tribute to the efforts of all staff, particularly Julie Toward and Neil McKinnon, who had weathered particularly turbulent storms as a result of the opening of Dromana Branch. Both Julie and Neil addressed the meeting and acknowledged the support of customers and the dedicated team effort of their staff as a vital contribution to the success of the year.

Gary acknowledged the contribution of recently retired Director, Dr Gus Glavici, during his time on the board and made special mention of the efforts of the Dromana Steering Committee and their ongoing contribution to the resounding success of the Dromana Branch.

Gary paid special mention to the support and guidance provided by Peter Van Duren, a member of the original steering committee and an inaugural board member, during his time on the Board and particularly during his almost six years as Chairman.

Gary also acknowledged 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

John Schotkamp enquired about the earnings forecast for the 2008/09 financial year and Bryan Payne from JSP provided an explanation on the variance in dividends over recent years and proffered the opinion that recent market volatility worked against providing any earnings forecast.

Wendy Lane enquired about details of the recipients of community grants, sponsorships and donations. It was agreed to publish these lists on the Community Bank website and to publish the lists in future Annual Reports.

The Chairman then moved that the annual report be accepted. The motion was seconded by Eileen Naylor and put to a vote.

FOR: 88 AGAINST: 0 ABSTENTIONS: 0 Carried

Election of Directors

The Chairman advised that three directors, Eileen Naylor, Shane McCarthy and Trevor Lloyd had retired by rotation and, being eligible, had offered themselves for re-election.

He also advised that **Gary Cain** had offered himself for election at this Annual General Meeting in accordance with the company constitution

The motion that **Eileen Naylor** be elected to the board was seconded by Bill Fechner and put to a vote.

FOR: 87 AGAINST: 1 ABSTENTIONS: 0 Carried

The motion that **Shane McCarthy** be elected to the board was seconded by Ken Spinner and put to a vote.

FOR: 87 AGAINST: 1 ABSTENTIONS: 0 Carried

The motion that **Trevor Lloyd** be re-elected to the board was seconded by Jim McIldownie and put to a vote.

FOR: 87 AGAINST: 1 ABSTENTIONS: 0 Carried

The Chairman then invited Gary Cain, a candidate for election to the board to address the meeting. Mr Cain provided a brief account of his background as a practicing accountant, family man and active member of various community organisations.

A motion was then put that Gary Cain be elected to the board and a vote was taken.

FOR: 88 AGAINST: 0 ABSTENTIONS: 0 Carried

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 Steve Burley and put to a vote.

FOR: 88 AGAINST: 0 ABSTENTIONS: 0 Carried

General Business

The Chairman called for any items of General Business from the floor.

A question was asked about the security of funds deposited with the Community Bank branches in the current economic crisis.

Michael Petering (B&ABL) explained that deposit funds were covered by the Federal Government guarantee of bank deposits.

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, advising that the current 'book' of the company was the largest book of any Community Bank in Australia and that the growth recorded by the Dromana Branch in its first year of operation was unsurpassed in Community Banking history.

Michael offered the opinion that the real success of the company should be measured by the \$2.5 million committed or returned to the community through sponsorships, grants and donations

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 and advised that there were currently six (6) Community Bank campaigns underway within the Mornington Peninsula region. He further noted that B&ABL had the fastest-growing branch network of all banking institutions in Australia.

Michael provided shareholders with a brief overview of the Bendigo & Adelaide Bank Limited (B&ABL) position in the global financial crisis noting that it was in sound health.

He congratulated shareholders and thanked them for their commitment and support.

Close of Meeting

In closing the meeting, the Chairman, Peter Van Duren, announced his decision to retire as Chairman and as a director of the company with immediate effect.

He expressed confidence in the quality and commitment of the board and encouraged shareholders to continue to promote the benefits of Community Banking within their families and networks.

He closed the meeting at 8.15pm, thanking Ken Ferguson for his assistance with the sound equipment and “Baked on Rye” for providing the refreshments.

Confirmation of Minutes:

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Chairman

25 November 2008