

Upper Yarra Community Enterprise Ltd

Minutes of Annual General Meeting

Yarra Junction Bowling Club
19 November 2008

Opening

Rodney McKail (Chair) confirmed that a quorum was present and declared the meeting open for business.

Attendance

Directors: Rodney McKail (Chair), Geoff Vickers, Max Magee, Catherine Aulich, Barry Marshall, Elizabeth Fox, Rodney Woods, Barry Sharman, Jaqui Hall and Sharon Hawkins.

Staff: Darren Pennington and Adam Whitworth

Guests & Shareholders: Alison Burr (BBL), Terry Vale (RSD), Alan Grundy (Mt Evelyn Community Bank), shareholders.

Notice of meeting

The notice convening the annual general meeting was taken as read.

Minutes of previous Annual General Meeting

Rodney reported that the minutes of the previous general meeting of Upper Yarra Community Enterprise Limited held on 21 November 2007 were approved by the board and signed by the Chairman in accordance with the provisions of section 251A of the Corporations Act and that should any member wish to inspect those minutes, a copy was available for that purpose.

Proxies

Geoff Vickers (Secretary) reported the Company had received 42 valid proxy forms.

Geoff relayed apologies from Stephen Raskovy, David Von Bertouch, Timothy Mepstead, Bob Murray, Miss Rita Flipo, Dennis Dunne, Dick Leith and Joan Mathers.

Annual Report

Chairman's Address

It is my great pleasure to present the 9th Annual report to our shareholders this evening, knowing that our Company is in a very healthy state with great potential for further growth into the future.

It has been an exciting year with the expansion of our organization during the year. We increased our share holdings and of course opened our new branch in Yarra Junction. I am pleased to advise that Yarra Junction has operated to expectation over the first couple of months.

We are also pleased, and somewhat relieved that the Warburton Branch has also performed strongly throughout the year. Overall the footings at Warburton have only reduced marginally.

It is very reassuring to note that there has been strong growth across the two branches. This is consistent with our expectations and very positive as we look forward.

The Bendigo Bank itself is performing comparatively well in these times of economic uncertainty. We have been reassured that Bendigo has had very little exposure to the sub prime crisis. Bendigo has deliberately not placed itself at the sharp/aggressive end of the market and has therefore minimised the impact of the global downturn.

In regards to Yarra Junction branch I would like to again acknowledge the outstanding work of the steering committee in getting the Branch up and going. Of course the work is not all over and we look forward to their ongoing support as we continue to grow our business on the 'western front'.

We welcomed a new Director in Sharon Hawkins. Sharon has made a very positive contribution to the Board. In particular her work in support of Yarra Junction has been outstanding. On the flip side, we are tonight bidding farewell to one of our favorite daughters in Catherine Aulich. Catherine will be greatly missed, she is one of our longer serving board members. With significant changes in her life recently Catherine has chosen to move on. She leaves with my absolute admiration and respect; she is really quite an amazing young lady. There will be more said about Catherine shortly.

From a business perspective we were also very pleased to announce a dividend of 2 cents per share for the 2007/08 financial year. This is an excellent outcome for our original shareholders and provides an immediate return for our new shareholders.

We continue to provide support to our community groups and projects in the Upper Yarra District. In 2007/08 we contributed just over \$160,000 in grants and sponsorships. That totals over \$750,000 during the last 4 years.

A project of particular note delivered in 2007/08 was 'Ban the Bulb' which exchanged 48,214 incandescent light bulbs with compact fluorescent lights. The project resulted in a carbon emissions reduction equivalent to taking 11,700 cars off the road for 12 months. It has become a flagship project for our partner, Bendigo Bank, who proudly promote the project right across the country.

We were very excited to be inducted into the Community Bank Hall of Fame in 2008. There are now 210 community banks across Australia and we are only the second to receive this accolade. It is appropriate at this point to acknowledge the founders of our company, Don Vickers, Ian De la Rue and the members of the steering committee for the enormous contribution they made in introducing the community bank model to the valley.

I would like to extend congratulations to Darren, Adam and their teams for their excellent work over the year. We are very lucky to have such a committed group of staff.

Special thanks also to our Executive Officer Geoff Vickers. He is the only remaining inaugural Board member and has made a significant contribution to our recognition in the Hall of Fame.

Appreciation is extended to the Bendigo Bank, in particular our regional manager Alison Burr. Alison and her team have been an invaluable source of information and support over the year. In particular the support provided through the process of opening Yarra Junction was greatly appreciated.

As for my fellow Directors, I would like to thank each and every one of them for their contribution this year. It has been a very challenging and demanding one. In recent times we have made some significant decisions and I can assure you that all Directors have been very professional in representing you the shareholders, our customers and of course our community.

As directors of a public company we are fully aware of our responsibilities in regards to accountability and transparency and would value an opportunity to interact with you, our shareholders. We welcome your comments and feedback.

I would like to take this opportunity to clarify a couple of issues in regards to the community banking model. Board members are all volunteers, including Geoff who performs the additional paid role of Executive Officer. We give our time Freely to support this amazing community owned enterprise. After paying our staff and operating expenses the profits of the business are shared amongst the shareholders by way of dividends and the community through grants and sponsorships.

We are a successful business and have already made significant contributions to the Upper Yarra Valley Community. The reality is we can be much more successful, we are only limited by the level of community support we receive. It's a simple equation, the more people who bank with us, the more profit we generate, and the greater return for the community.

As community representatives we, the Board, will continue to promote and support the growth of our business. But we can't do it all on our own, we need your help. Let's not become complacent. When the opportunity presents itself, I encourage you all to tell the story, let people know what we can achieve with their ongoing support, and encourage them to get on board. Together with the community the opportunities are endless.

On behalf of the Board, we look forward to the ongoing growth and development of this amazingly successful community owned enterprise and look forward to your continued support.

Warburton Branch Manager's Address

Darren reported that the Warburton branch had recorded growth in its footings despite the opening of the Yarra Junction branch. He indicated that approximately \$4 million had been redomiciled to Yarra Junction which was less than expected.

Darren thanked his branch team for their ongoing commitment and urged shareholders to continue telling the community bank story and encourage anyone they knew to bring their banking to the business.

Yarra Junction Branch Manager's Report

Adam reported that the Yarra Junction Branch was performing ahead of target and was on track to reach profit during the 2009-10 financial year. He was very pleased with his branch team, all of whom were now fully trained in their respective positions.

Bendigo Bank Address

Alison Burr, Bendigo Bank Regional Manager Yarra Valley, informed the meeting of the growth Bendigo Bank was currently enjoying. The Community Bank network now included more than 225 branches and had a presence in all Australian states and territories.

Alison congratulated the Board for the company's induction into the Community Bank Hall of Fame. She reported on the ongoing success of the 'Partnership Forums', whereby the local community Bank branches and representatives of the three tiers of government were meeting on a regular basis to discuss shared funding opportunities.

Alison congratulated the Board for their ongoing efforts and thanked the community and customers for their support.

Questions to the Auditor

Rodney provided an opportunity for the auditor to respond to any written questions received prior to the meeting. No questions had been received by the auditor.

Annual Report Discussion

Rodney invited questions from the meeting in regard to the Annual Report, no questions were asked.

Remuneration Report

Rodney provided an opportunity for questions or comments on the remuneration report.
As there was no discussion, Rodney put the motion:

Motion: That the remuneration report as detailed in the Annual Report be adopted by the meeting.

Moved: Rodney McKail Seconded: John Hall

Proxy votes for: 38

Against: 2

Abstentions: 2

Motion carried.

Election of directors

Deputy Chairman Max Magee presided over the election of Rodney McKail.

Rodney addressed the meeting, indicating he had enjoyed his time on the board and was looking forward to continuing.

Motion: That Rodney McKail be elected as a director of the company.

Moved: Max Magee Seconded: Glennice Mathers

Proxy votes for: 41

Against: 1

Abstentions: 0

Motion carried

Rodney McKail resumed the Chair of the meeting.

Rodney invited Elizabeth fox to address the meeting. Elizabeth said she felt a sense of privilege being on the board. She believed she and all the directors took the role and its responsibilities very seriously.

Motion: That Elizabeth Fox be elected as a director of the company.

Moved: Rodney McKail Seconded: Stuart Dunbar Carried

Proxy votes for: 41

Against: 1

Abstentions: 0

Motion carried

Rodney invited Barry Marshall to address the meeting. Barry said he had thoroughly enjoyed his time on the board and he looked forward to seeing the business continue its success.

Motion: That Barry Marshall be elected as a director of the company.

Moved: Rodney McKail Seconded: Mary Bartlett Carried

Proxy votes for: 40

Against: 2

Abstentions: 0

Motion carried

Rodney invited Sharon Hawkins to introduce herself. Sharon gave a brief report of her personal and professional history. She explained that she had been a member of the Yarra Junction branch steering committee.

Motion: That Sharon Hawkins be elected as a director of the company.

Moved: Rodney McKail Seconded: Doris Ottrey Carried

Proxy votes for: 41

Against: 1

Abstentions: 0

Motion carried

Rodney invited Stephen Freestone to introduce himself.

Stephen spoke of his long-term involvement with the Warburton Community through various community organizations and in his role as proprietor of the Warburton Newsagency. Stephen mentioned he was currently employed at Yarra Valley Grammar School.

Motion: That Stephen Freestone be elected as a director of the company.

Moved: Rodney McKail Seconded: John Hall Carried

Proxy votes for: 41

Against: 1

Abstentions: 0

Motion carried

Presentation to retiring director

A presentation was made to retiring director Catherine Aulich. Max Magee spoke of Catherine's dedication during her six year service to the company.

Catherine responded by saying how much she had enjoyed her time on the Board, what a great experience and learning opportunity it had been. Catherine said Ian De La Rue was a strong influence in her joining the board and she felt he would have been proud of her achievements. Catherine expressed her desire to move on to a new challenge and she was happy that the company was in a strong position.

Ian De La Rue Youth Initiative Award

Catherine presented the 2008 Ian De La Rue Youth Initiative Award to Sarah Thompson. Catherine read Sarah's extensive CV in numerous community organizations and a list of personal achievements.

Sarah expressed her appreciation for receiving the award. She said she had been very fortunate to receive a lot of support from her parents and mentors which had given her a sense of self-belief.

Rodney thanked all those in attendance and extended an invitation to stay for supper.

Meeting Close 8.30 pm