

Bellarine Peninsula **Community Bank**[®] Branch Newsletter March 2009

Manager's report

Our banking business has continued to increase over the New Year, with the total growth for the eight months to 28 February, \$25.5 million-this takes our total business to \$125 million. Portarlington has a total business of \$86 million and Drysdale \$39 million. Total accounts have increased to 6989. It is pleasing to see this continual level of growth in the present economic conditions.

The Drysdale **Community Bank**[®] Branch was officially opened on 13 January by Bendigo Bank's Chief Executive Retail Bank, Mike Hirst, and Chairperson of the Bellarine Peninsula Community Branch Ltd., Russell Enders. Although it was a very hot day many new and existing shareholders, customers and the local community enjoyed the entertainment and official speeches.

The new premises have been warmly received by our customers with a larger branch area and increased staffing levels to service our increasing number of customers.

The prospectus for Drysdale **Community Bank**[®] Branch closed on 20 February with certificates issuing shortly. I thank all the new and existing shareholders who have purchased shares within the Company, knowing that profits generated from these two sites will be distributed back out into the local community.

Assisting us in growing our business is simple, carry out your banking services at either Portarlington or Drysdale and you are helping the community. Better still, tell your family and friends. The more business we generate, earns us more profits which results in more funds distributed into the community.

Craig Taylor

Manager

Email, phone and address updates

If you have changed your address or contact details, please remember to provide your branch with your updated information.

It is also important that you keep your address up-to-date with our share registry Computershare.

If Computershare doesn't have your current address, you may not receive important information or dividends.

Computershare can be contacted on –

Phone: 9415 4000 or 1300 850 505

Fax: 9473 2500

Address: Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067

Postal address: GPO Box 2975EE, Melbourne, VIC, 3000

Email from our bank

Would you like to receive this newsletter, Annual Reports and other Company information via your email? If so, simply let us know by sending an email to rduan@bigpond.net.au

We are committed to providing ongoing shareholder information and updates. Each mail out costs several dollars per shareholder and the Annual Reports are more costly. Besides the costs savings, there are the environmental savings of resources.

All of these documents can be emailed to you, and they can be found on our website – <http://www.bendigobank.com.au/bellarine>

The email list of shareholders will be confidential and only used for Company updates.

Staffing

There have been some changes in staff at the branches since the Drysdale **Community Bank**[®] Branch opened in January this year.

Both Kerry Firth and Sheena Dudgeon have had a change of branch, and a change of role. Kerry and Sheena are able to assist you with all of your banking needs and enquiries in their new roles of Customer Relations Officers, with Kerry situated at the Drysdale **Community Bank**[®] Branch and Sheena situated at the Bellarine Peninsula **Community Bank**[®] Branch.

Bellarine Peninsula Branch is staffed by Ian Faulkner (Manager), Sheena - Customer Relationship Officer, Leeanne - Customer Service Supervisor, Susan - Customer Service Officer, Ann - Customer Service

Officer and Melanie - Customer Services Officer; and Drysdale Branch is staffed by Craig Taylor (Branch Manager), Kerry - Customer Relationship Officer, Mandy - Customer Service Supervisor, Wendy - Customer Service Officer, Antoinetta - Customer Service Officer and Silvan - Customer Service Officer

Introducing - Sheena Dudgeon, Customer Relations Officer



I have been with the Bendigo Bank for the past seven years. My first position was with a Bendigo Bank Agency in Geelong. I transferred to the Drysdale Agency when it open in 2004, and have enjoyed watching it grow into the **Community Bank**[®] branch that it is today.

Due to the expansion of both Drysdale **Community Bank**[®] Branch and Bellarine Peninsula **Community Bank**[®] Branch,

the opportunity has arisen for the creation of a new Customer Relationships Officer position in each branch. This position provides a high standard of service and builds strong relationships with our customers.

I have recently transferred to the Portarlington Branch, and am enjoying the challenge of my new position.

Sheena is the Customer Relationships Officer at the Portarlington Branch and is able to assist you with all your banking needs and enquiries.

Community Bank[®] branch sponsorships

Drysdale Leopold Pony Club recently received a \$500 sponsorship to upgrade the club's cross country jumps course which is made up of a series of jumps that get used at regular club rallies for training and at interclub competitions.

The course needed work to comply with competition and safety standards so it could be used for the club's one day event competition in early February, and for all future competitions. The event attracts more than 120 pony club riders from across the region and is one of the major fundraisers for the Drysdale Leopold Pony Club. The work was carried out by some of the club members and some of the volunteers who run the club.



▲ Volunteers building the jump

The event was at risk of being cancelled until the Club approached the Drysdale **Community Bank**[®] Branch for sponsorship. Bellarine Peninsula Community Branch Ltd. is proud to be able to support the Drysdale Leopold Pony Club and its 80 members aged from six to 25 years, including a number of members who compete at State and National level and one member who recently competed in the Beijing Olympics.



▲ Riders at the jump which has been named after the Bellarine Peninsula **Community Bank**[®] Branch.



Other recent sponsorships have included sponsorship of a hole at the Curlewis Golf Club, sponsorship of the Curlewis Pro-am held on 5 January, and the Portarlington Springtime Weekend Dance Festival to be held 11-13 September.

Sponsorships and grants monies are generated by growth in banking business, are drawn from the profits and are shared with the community. The more local people banking with either the Bellarine Peninsula or Drysdale Branches of Bellarine Peninsula Community Branch Ltd, the more sponsorship funds will be available. Community development is the goal and all the more reason to get behind your **Community Bank**[®] branch.

Community grants update

In last year's round of grants, the Portarlington Girl Guides received a grant which has enabled air conditioning to be installed in the Guide's Hall. The air conditioners have been a very welcome addition by the Portarlington Girl Guides, and the numerous groups who use the Hall.

The Drysdale Rotary Club has used their grant money to purchase an inflatable jumping castle which has been a huge success! The castle was inflated and enjoyed by hundreds of children on New Year's Eve at the Rotary Children's Park, and it was also well utilised at the opening of the Drysdale **Community Bank**[®] Branch. Look out for the jumping castle which will soon display a large "Proud supporter of Drysdale Rotary Club" sign for everyone to see!

Share trading on the BSX

Bellarine Peninsula Community Branch Ltd shareholders will be aware that their shares are listed with the Bendigo Stock Exchange (BSX).

From time to time the Branch Managers and Directors receive enquiries from people about how to buy, and in some cases, how to sell Bellarine Peninsula Community Branch Ltd. shares. Bellarine Peninsula Community Branch Ltd. shares are listed and traded on the Bendigo Stock Exchange, announcements etc can be found on the BSX website - www.bsx.com.au.

Anyone wishing to buy or sell shares in Bellarine Peninsula Community Branch Ltd. can do so through the BSX using one of its authorised brokers.

Drysdale Community Bank[®] Branch opens

More than a year of dedication and commitment were rewarded on 13 January when locals and invited guests gathered to celebrate the opening of Drysdale **Community Bank**[®] Branch.

The largely informal ceremony included entertainment by Dazzling Dan the magician, Emma the face-painter, Bree-Arne the acoustic guitarist/singer and the Drysdale Rotary jumping castle.

Bellarine Peninsula **Community Bank**[®] Branch,
44 Newcomb Street, Portarlington VIC 3223
Phone: 5259 3266

Opening hours: Monday to Thursday 9.30am – 4.00pm, Friday 9.30am – 5.00pm and Saturday mornings 9.00am – 12 noon

Drysdale **Community Bank**[®] Branch,
11 Clifton Springs Road, Drysdale VIC 3222
Phone: 5253 3192

Opening hours: Monday to Friday 9.00am – 5.00pm and Saturday mornings 9.00am – 12noon

The Drysdale **Community Bank**[®] Branch, owned by community shareholders, will operate as a franchise of Bendigo Bank Limited within the same Company as the Bellarine Peninsula **Community Bank**[®] Branch in Portarlington – Bellarine Peninsula Community Branch Ltd.

Chairman of the Board, Russell Enders paid tribute to the Steering Committee members and the work they have done over the past twelve months, followed by Mike Hirst - Chief Executive Retail Bank, Bendigo Bank; Kevin Roach - Director, Bendigo Bank; and John Doull - Councillor for Coryule Ward, who all spoke and congratulated shareholders on the launch of their **Community Bank**[®] branch.

How did it all happen?

The Drysdale **Community Bank**[®] Branch Steering Committee worked tirelessly for more than twelve months to achieve its goal.

The members of the committee are Chris Reymers, Sandra Baldwin, Paul Jones, Geoff and Pearl Webster, Cliff Stride, Janina Randone and Andrew Robinson.

The Journey

25 October 2007 – an information evening was attended by community minded members of Drysdale/Clifton Springs communities.

6 November 2007 – The inaugural steering group first met. Members were briefed and prepared for their role by Bill denHartog, Senior Community Enterprise Manager, and mentor Max Papley.

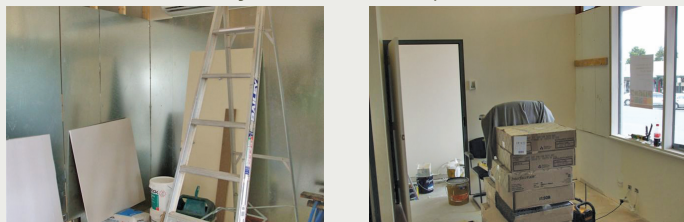
18 January 2008 saw the official launch of the Pledge and Awareness Campaign, which required a great deal of work by the Steering Committee, with street information stalls, representations to sporting and community groups, visits to local businesses and sausage sizzles to raise awareness and secure pledges of interest.

4 June 2008 a public information meeting was held at Drysdale Bowling & Croquet Club to inform the Drysdale/Clifton Springs community of the progress of the campaign for a **Community Bank**[®] branch for Drysdale. Also discussed were the benefits a **Community Bank**[®] branch can bring to the residents, organisations, clubs and traders in the community.

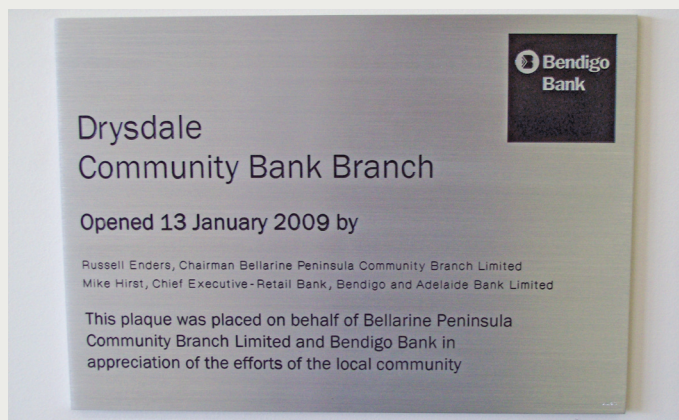
This was followed by numerous meetings and consultation at every level before the committee launched the prospectus on Wednesday, 19 November 2008.

The uptake of shares was fast. By the closing date 20 February, there were 173 new shareholders who had invested \$398, 571.

Drysdale **Community Bank**[®] Branch is the 226th branch nationwide, and the 97th **Community Bank**[®] branch to open in Victoria.



▲ The original sub-branch premises required extensive renovations – during the renovations



▲ After the renovations

The Drysdale sub-branch was officially converted into a **Community Bank**[®] Branch on Tuesday 13 January as a result of the hard work of many people including the Drysdale Steering Committee, the Board of Directors of Bellarine Peninsula Community Branch Ltd., Managers and Staff of both Portarlington and Drysdale Branches.



▲ Kevin Roach, Director, Bendigo Bank; Andrew Robinson- member of the Drysdale Steering Committee, Local Member Cr John Doull, Bob Hynes- Director, Bellarine Peninsula Community Branch Ltd. and Mike Hirst chief executive of the Retail Bank, Bendigo Bank



◀ Craig Taylor, Manager of Drysdale **Community Bank**[®] Branch speaking at the opening.

Bendigo Bank snapshot

- > Established in 1858
- > Branch network throughout Australia
- > 165 Company owned branches
- > 223 Community owned branches

*Figures relevant October 2008

Chairman: Russell Enders

Directors: Karen Woodhart, Robert Hynes, Paul Jones, Geoff Webster, Sandra Baldwin (Secretary) and Stephen Wright (Treasurer)



▲ Mike Hirst Chief Executive – Retail Bank and Russell Enders Chairman Bellarine Peninsula Community Branch Ltd. unveil the plaque, watched on by Bob Hynes, Director, Bellarine Peninsula Community Branch Ltd and MC for the day.



◀ Geelong Support Staff Vicki Nichols and Melissa Pearce

Support Staff from Bendigo Bank in Bendigo, Melbourne and Geelong also attended, continuing their ongoing support to the staff and Directors on the day.



◀ Piggy was there to hand out lollies and balloons.



▲ Bree-Arne – acoustic guitar player and singer, Dazzling Dan the Magic Man, and Emma the face painter.



▲ Popular attractions were Emma the face painter and Dazzling Dan the magician who mesmerised both children and adults alike



▲ Rotary Club of Drysdale inflatable jumping castle was a huge hit with the kids.



▲ No-one went hungry thanks to the Drysdale Portarlington Lions Club sausage sizzle.



▲ Enjoying a sausage at the opening of the Drysdale Community Bank® Branch



▲ Group photo of some of the people at the Drysdale Community Bank® Branch opening.

Thank you to all our shareholders & Thank you to all our account customers for making our bank possible.

Alert

Court confirms cheap share registry access for predatory buyer - 24 February 2009

The recent decision in *AXA Asia Pacific Holdings Limited v Direct Share Purchasing Corporation Pty Ltd* [2009] FCAFC 15 (20 February 2009) highlights the difficulties faced by companies in dealing with predatory share offers.

The decision confirms that companies must grant *any person* timely and cheap access to share registry information under the Corporations Act. This is so even if the company suspects the person will use the information to make unsolicited under-priced offers to vulnerable shareholders.

Additionally, a company may incur, but may not recover, significant costs in providing share registry information if arrangements with its share registry to provide such information have not been negotiated at arm's length.

[\(Click here](#) for the Full Court Decision).

Summary of share registry access requirements

Section 173(3) of the Corporations Act provides that a company must give any person a copy of its share register within seven days if the person:

- asks for the copy, and
- pays any fee required by the company which does not exceed a "prescribed amount" cap.

The "prescribed amount" must be a "reasonable amount that does not exceed the marginal cost to the company of providing a copy".

Facts

Mr David Tweed was the principal of Direct Share Purchasing. Direct wrote to AXA requesting a copy of its share register and enclosed a \$20,000 cheque. Direct requested AXA refund the difference between \$20,000 and AXA's required share registry fee.

AXA retained Computershare to provide share registry services. Under the terms of its service contract with Computershare, AXA paid \$17,195.39 for, and Computershare produced, a CD Rom copy of AXA's share registry. AXA sent Direct the CD Rom and refunded \$2,804.61, being the difference between the \$20,000 paid by Direct and AXA's \$17,195.39 cost of obtaining the CD Rom from Computershare.

Direct sued AXA. It claimed that AXA had required it to pay more than the "prescribed amount" under the Act and sought a court order requiring AXA to refund the difference.

Direct won at trial in 2008

On 19 June 2008, Finkelstein J delivered a trial judgment in favour of Direct ([Direct Share Purchasing Corporation Pty Ltd v AXA Asia Pacific Holdings Ltd \[2008\] FCA 935; \(2008\) 67 ACSR 99](#)).

It was held that:

- Under the Act, the prescribed fee chargeable by a company for a copy of a computerised share register must: (1) be a "reasonable amount", and (2) not exceed the marginal cost to the company of

Who does it affect?

Directors, company secretaries and executives responsible for corporate governance and shareholder communications matters.

What do you need to do?

1. Review contractual arrangements with your share registry to ensure they provide a reasonable basis for charging for information provided to outside parties.
2. Consider communications strategy and other safeguards for protecting vulnerable shareholders from unsolicited under-priced offers.

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providing a copy.

Author
Will Heath

- In assessing the "reasonable amount" payable for a CD Rom copy of share registry information, the court may examine:
 - **market price:** the market price (if any) for the CD Rom
 - **agreed price:** the price paid by the company to its share registry to produce the CD Rom where that price was agreed in negotiations in which the company was attempting to buy the product at the lowest possible price, and
 - **cost:** the cost of producing the CD Rom plus (if not otherwise included) a reasonable return on capital.
- Although the marginal cost to AXA of providing the CD Rom was at least \$17,195.39 (the contract price payable to Computershare), that price was not arrived at in negotiations in which AXA was attempting to buy the CD Rom at the lowest possible price.
- Based on expert evidence, a typical fee charged to supply a CD Rom copy of a share registry for a company of AXA's size was between \$50 and \$300. In the absence of any other evidence of the market price or costs of production of AXA's CD Rom, a "reasonable amount" for the CD Rom was \$250.
- Therefore, AXA could not charge Direct more than a "reasonable amount" of \$250 and was ordered to refund Direct \$16,945.39, being the difference between \$17,195.39 (which AXA had not refunded) and \$250.

AXA appealed to the Full Court of the Federal Court of Australia. Its decision was handed down on 20 February 2009.

Direct wins again in Full Federal Court

Black CJ and Emmett J (with whom Greenwood J agreed) dismissed AXA's appeal. It was held that:

- In determining what is a "reasonable amount" to charge for a copy of a share register, the price paid by the company to its external registry provider may be relevant, but only if the price was arrived at by arm's length negotiations in which the company is attempting to secure the lowest possible price.
- While AXA's service agreement with Computershare was generally the result of arm's length negotiations between the parties, the \$17,195.39 fee payable for producing the CD Rom was not negotiated at arm's length. AXA had no particular interest in its negotiations with Computershare in reducing the fee payable for providing a copy of its register.
- Therefore, although the Court accepted \$17,195.39 was the marginal cost to AXA and contract price of the CD Rom, it exceeded the "reasonable amount" prescribed under the Act.

Significance of the decision

The decision highlights several traps in the current Corporations Act provisions regulating access to share registry information, including:

- A company must deal with requests for inspection and/or copies of its share register strictly in accordance with the prescribed procedure in the Act. You should note that the Act sets specific caps on the amounts which a target company may charge for access to shareholder information in the context of a takeover bid (under section 641(5)) and which a listed entity may charge for registry information in relation to tracing beneficial ownership of securities (under section 672DA(8)).
- A company cannot charge a person more than a "reasonable amount" for a copy of the company's computerised share register. You should review the fee structure of your company's existing share registry service contract to ensure its terms accommodate this limit.
- A company should exercise caution and seek independent advice before attempting to discourage unsolicited offers to purchase vulnerable shareholders' shares. Significantly, ASIC's recent attempts to obtain a permanent banning order against Mr Tweed have failed: [Tweed and Australian Securities and Investments Commission \[2008\] AATA 514](#).

Possible changes to the Corporations Act

The AXA decision may encourage the Federal Government to adopt recent recommendations for reform of the Corporations Act. The recent [Report of the Parliamentary Joint Committee on Corporations and Financial Services](#) recommended that the Act should allow a company to refuse a request for access to certain share registry information when it is made for an improper purpose.

The Committee made this recommendation after considering a range of submissions which claimed that the Act's provisions were an "anachronism" and have been used "for the nefarious purpose of making under-priced offers in attempt to exploit uniformed shareholders". The Committee also acknowledged that universal access to companies' share registries is inconsistent with the privacy of shareholders' personal information. There is likely to be further consideration of the policies and scope of the Act — as well as the scope of any reforms — in the near future.

This publication is only a general outline. It is not legal advice. You should seek professional advice before taking any action based on its contents.

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