

# North Ryde Community Finance Limited

## Minutes of Annual General Meeting

held on, Tuesday, 23 November 2010 at  
Holy Spirit School Hall  
Cox's Road, North Ryde

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Welcome by Chairman who confirmed a quorum was present and declared the meeting open at 10.08 am.

**Present:** G. McMaster - Chairman  
T. Wise - Treasurer  
P. Perrin - Secretary

**Board Members:** S. Perrin, B. Talbot, I. Petch, G. MacAulay.

**Apologies:** M. Walker, R. Robinson, A. Hughes, Dr M. Southan, Helen Thomas.

**In Attendance:** P. Italiano - Branch Manager

**Guests:** G. Stewart - AFS (Auditor)  
G. Knowles - Bendigo Bank (Rep)  
N. Brooks - Bendigo  
G. Noel - Bendigo

**Attendees:** 25 Shareholders

### Notice of Meeting – Ordinary Business

**1. *Receipt of Annual Report.***

To receive the Company's Financial Report and the Auditor's Report for the year ended 30 June 2010.

Chairman's Report, Secretary's Report, Treasurer's Report and Manager's Report.

Motion put by Chairman to accept all of above.

Moved by C. Williams. Seconded: I. Petch.

Motion carried and Annual Report adopted.

**2. *Remuneration Report.***

To receive and, if thought fit, pass the following resolution as an ordinary resolution:

"The Remuneration Report for the Company for the year ended 30 June 2010 be adopted".

Motion put by Chairman to accept above report.

Motion moved by S. Perrin. Seconded by C. Williams.

Motion carried and Remuneration Report adopted.

**3. *Payment of Dividend.***

To consider and, if thought fit, pass the following resolution:

"That a dividend of 8¢ (eight cents) unfranked per share for each ordinary share be paid".

Motion put by Chairman to accept this resolution. Seconded: Mr Wise. Motion carried. Payment of dividend adopted.

4. ***Under the Company's Constitution, Clause 62(i)***

The following Directors retired by rotation and offered themselves for re-election.

B. Talbot

M. Walker

P. Perrin.

Elections were conducted by Elections Australia with the following results.

All three Directors – re-elected.

The Chairman congratulated the Directors and also publicly acknowledged and thanked Russell Robinson who stood down from the position of Treasurer for health reasons. Russell had been Treasurer since the inception of the Bank and the Chairman wished to thank him for the major contribution that he made over the five years in that role. Russell continues to serve as a Director of the Board.

5. ***Manager's Report***

The Manager reported great staff performance, growth good and customers happy.

Increased profit in community, particularly in schools.

He thanked the Board for all their diligence and support.

Phil Isaacs, Director of Richmond (North) Community Bank, congratulated North Ryde Community Bank on excellent business performance.

The Chairman reported that the position of all community banks could be viewed at Bendigo Bank website.

6. ***Other Business***

The Chairman introduced the Directors present at the meeting and discussed a number of issues that he felt were relevant to the successful future of the community banking business. These included some of the strategies being implemented to secure the future financial position of the Company whilst at the same time, fulfilling the original community outreach programs in North Ryde and adjoining areas of Ryde.

The Chairman opened the meeting for questions and further discussion for Shareholders and Board Directors.

The Chairman treated a written question on notice from Alex Portnoy (Shareholder).

- i) As Bendigo Bank is not alone in providing "community banking service", have we looked at other franchise models, *eg*: Bank of Qld.

The Chairman provided an overview of the difference between the franchise models between the two banks (Bendigo being community owned and Bank of Queensland being privately owned) and opened the meeting to any Shareholder or Director who had experience with the Queensland model to comment. Mr Bob Talbot (Director) provided a direct insight through his experience in his dealings with the Bank of Qld. A general discussion ensued on the pros and cons of the respective models.

- ii) Mr Portnoy commented on the lack of quality of Bendigo Bank's "helpline", particularly with afterhours service. He requested that Bendigo Bank do not consider outsourcing their "helpline" to foreign countries where language difficulties made these services less than satisfactory.



Peter Alway (a Foundation Shareholder) made the following observation:

- i) That shares were stagnant in movement on BSX.

The Chairman responded that the shares were tightly held but did become available from time to time in a mixture of parcel size. He noted that there were only two brokers operating on community bank shares on the BSX and other shareholders had found some difficulty in establishing a trading relationship with the brokers. The contact details for the brokers were provided in the Secretary's Report to the meeting. A general discussion ensued on the need for a more efficient trading system for shares.

- ii) How was the balance of seed capital invested? And what risk profile did the Board of Directors consider with these funds?

The Chairman thanked Peter for his pertinent question and informed the Shareholders that the Board of Directors' strategy with cash assets was to invest these in term deposits which attracted a reasonable interest rate with a low risk profile. Accordingly, the net cash asset backing of the shares of North Ryde Community Finance was significant and future-proofed the business. The Chairman commented further that under the circumstances where the Company did not have a further option of the franchise past the current option, that such a strategy was relevant to protect Shareholders in the event that a further five year option was not granted by Bendigo Bank and the Company forced into a wind-up position in four years' time.

A vigorous discussion ensued surrounding the issue of the franchise agreement, the legal advice obtained by the Board indicating elements of the current franchise agreement were not in alignment with the Franchise Code and the fact that this had been accepted by Bendigo Bank who had given some assurances that the variations required would ultimately be entered into the overall franchise agreement provided to all community banks.

There being no further business, the Chairman thanked the Shareholders and Directors present for the constructive spirit and sense of community throughout the meeting and invited all Shareholders and guests to a sumptuous morning tea.

The meeting closed at 11.05 am.

  
CHAIRMAN

31/3/11  
DATE