

**HARBORD FINANCIAL SERVICES LIMITED**  
**A.C.N 097 282 525**

**Minutes of Annual General Meeting held on 22 November 2011**  
**Held at 7pm at South Curl Curl**  
**Surf Life Saving Club**

Martin Brook director of Harbord Financial Services Ltd acted as MC for tonight.

Welcome everyone to the 10<sup>th</sup> Annual General Meeting of Harbord Financial Services Limited.

**INTRODUCTION:**

PRESENT:	Trevor Sargeant	Chairman
	Ian Greentree	Company Secretary
	Garry Chadwick	Treasurer
	Martin Brook	Director
	Joynson	Director
	Noela Roberts	Director
Apologies:	Brad O'Connor	Director
	John Vaccaro	Director

Shareholders as per Visitor book

Martin introduced:

David Hutchins Andrew, Frewin and Stewart AFS auditor.  
Alex Hughes Regional Manager Bendigo Bank  
Michael Sims Business Banking Manager Bendigo Bank – Dee Why  
Kevin Abrahamson a past Director of Bendigo & Adelaide Bank

Sandra Kleiner Manager  
Our great staff: Angie, Su-Ellen, Helen, Cherrie, Melanie, Kasey, Kerryn, Belinda & Simmone.

Our 2011 Youth Observers from:-

St Augustine's College	Tim Norris & Mr & Mrs Norris
	Tim McHugh Apology
St Luke's Grammar School	Luke Gordon Apology
	Max Learmont Apology

Our 2012 potential Youth Observers from:

Mackellar Girls High School	Sophie Morton & Mr & Mrs Morton
	Lana Remin & Mr Robert Remin

Martin advised the meeting of the passing in February 2011 of Bank Manager Ken Ward.

The Chairman declares that we are of the opinion that.

1. This meeting of Harbord Financial Services Limited A.C.N 097282525 has been validly convened at a date, time & place most convenient for the majority of members.
2. The notice of meeting is taken as read.
3. The Company Secretary has advised that a quorum is present pursuant to Regulation 37 of the Constitution. (2 % of Shareholders) we have about 420 shareholders so 9 for quorum. Advised over 19 Shareholders present.

4. All resolutions will be submitted to a show of hands unless a poll was demanded before or on declaration of the result of the show of hands.  
We have received 60 proxies 58 to the chairman (those that have indicated their voting preference and those just to the chairman) and 2 proxies were given to 2 individual directors with their preference provided. The proxies will be used to vote if a poll is called. Note most of the proxies are for the respective motions.
5. When shareholders or proxies vote, on a resolution can they please raise their Blue card provided in their hands. If there are any shareholders who are eligible to vote at this meeting who have not received their blue card please see a representative at the registration desk. Note joint shareholders are only entitled to one voting card between them.

CALL FOR APOLOGISE: As per share holder lists & Olive Grigg

### **CHAIRMAN'S REPORT:**

Trevor referred everyone to the Chairman's Report in the Annual report.

This year we unfortunately lost our Bank Manager Ken in February and he is sadly missed by all.

He also advised that a fellow director, Noela had fought a successful battle with breast cancer. The Board had put in place a succession plan which resulted in Sandra becoming the acting Manager for 3 months and was then promoted the permanent role of Manager.

This accelerated the succession plan that had been in place for approximately 18 months and over the past 10 months she has achieved more than expected.

21<sup>st</sup> February 2011 saw all Chairpersons and Community Bank Managers meet with Bendigo Bank regarding the "Restoring the Balance". This is was about the change in the ratio of the profit share paid.

Harbord Financial Services Limited argued unsuccessfully against the new ratio breakups and we were told to read the Franchise Agreement. "Restoring the balance" has made expansion not attractive at the moment.

The positive news is that Bendigo and Adelaide Bank Limited's rating has improved from a B+ to an A-. This enables us to receive deposits from other organisations such as Warringah Council.

He feels that the branch of Freshwater has three main points:

- A caring and supportive staff who strive to make banking easier.
- A board of directors who provide time to the community.
- A good working relationship with Alex Hughes BB Head office and Staff –and Michael Sims at Dee Why branch.

To the community volunteers and orginsations, the whole community bank model does not work without you.

Good evening everyone – welcome to the Annual General meeting.

Trevor moved onto the formal business of the meeting.

### **ITEM No 1: RECEIPT OF FINANCIAL REPORTS:**

To receive the Company's Financial Report, the Directors report and the Auditor's report for the year ended 30 June 2011.

He noted that shareholders are not being asked to resolve to adopt the reports, but rather, to receive and consider them.

#### **Called on Garry Chadwick to report on the Company's financials.**

Referred to the chart on page 1 of the Annual Report and advised that there is still a way to climb. We still only hold approximately 2% of banking in the local area. He feels that we will continue to grow each year. Encouraged those present to spread the word and ask friends and associates in the area to bank with us so we can get a greater return back to the community. "Restoring the Balance" – Bendigo Bank has had a problem with rates for fixed term deposits for a long time, because of the cost of money the balance has got out of place and the Community

Banks were receiving more funds than they should have. We had to go along with what was in the franchise agreement. A computer program is being put in place that will assist with the calculations of the 50/50 split in profit down the track. Our book target has been \$150m, but still needs work to achieve.

Is there any discussion? No discussion or questions were raised.  
Please note that our Auditors are also available to answer any questions relating to the conduct of the audit and the audit report.  
When asking any questions it would be appreciated if you could state your name before asking your question. No discussion or questions were raised.  
There being no further questions.

***Put the motion "That financial report has been considered and be received"***

***Those in favor of the resolution please raise their blue cards***

***For the Motion 12***

***Those against 0 I declare the motion carried.***

*(Proxies 42 For 2 Against 16 to Chairman )*

**ITEM No 2: NOTIFICATION OF DIVIDEND - NO RESOLUTION IS REQUIRED**

It is with great pleasure that I announce the notification of a 10 cent fully franked dividend. This dividend will be paid in February. The dates for the dividend will be announced on the BSX and on our website. This dividend brings the total payment to shareholders to 53.75 cents. This has returned to the initial investors who supported the community bank concept with over half their initial capital. Our shares are listed on the Bendigo Stock Exchange BSX.com.au under the code of HBD. Shares have traded over the last 12 months between 80 cents and \$1. Not a lot of shares are traded but parcels of shares become available from time to time.

If you would like to increase your shareholding or purchase some shares for your children please have a look at the process on Harbord Financial Services Web site Harbord financial services.com.au.

For a little company it's good to see the dividends we have paid.

**ITEM No 3: RE-ELECTION OF DIRECTORS:**

Ian Greentree, Garry Chadwick and Ian Joynson now stand down under Rule 62 of the company's constitution where one third of the directors must retire in rotation and may offer themselves for re-election as a Director of the Company effective immediately upon the close of the Meeting.

Inform shareholders that the board recommends re-election of these 3 gentlemen.

Will now put each resolution separately

Now states that-

1. Ian Greentree having resigned by rotation offers himself for re-election.

Is there any discussion on the motion?

Discussion and Questions No discussion or questions were raised.

If there is no (further) discussion, I now put the motion to approve that Ian Greentree be elected as a Director of the Company.

Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

***Those in favor of the resolution please raise their blue cards***

***For the motion 17***

***Those against 0 I declare the motion carried.***

*(Proxies 43 For 0 Against 17 Chairman)*

2. Garry Chadwick having resigned by rotation offers himself for re-election.

Is there any discussion on the motion?

Discussion and Questions No discussion or questions were raised.

If there is no (further) discussion, I now put the motion to approve that Garry Chadwick be elected as a Director of the Company.  
Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

**Those in favor of the resolution please raise their blue cards**

**For the motion 15**

**Those against 0 I declare the motion carried.**

*(Proxies 43 For 0 Against 17 Chairman)*

3. Ian Joynson having resigned by rotation offers himself for re-election.  
Is there any discussion on the motion?

Discussion and Questions No discussion or questions were raised.

If there is no (further) discussion, I now put the motion to approve that Ian Joynson be elected as a Director of the Company.

Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

**Those in favor of the resolution please raise their blue cards**

**For the motion 15**

**Those against 0 I declare the motion carried.**

*(Proxies 43 For 0 Against 17 Chairman)*

#### **ITEM No 4: REMUNERATION REPORT**

“That for the purposes of Section 250R (2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration report for the year ended 30 June 2011 as contained in the Directors Report on Page 2 of the Annual Report for the year ended 30 June 2011.”

As set out in section 250R (3) of the Corporations Act (Cth), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Is there any discussion on the motion?

(Discussion and questions)

“If there is no (further) discussion, I put the motion to approve and adopt the remuneration report for the year ended 30 June 2011.”

Please note that the total number of valid proxies for this resolution and the manner in which they have been directed.

**Those in favor of the resolution, please raise your card.**

**For the motion 13**

**Those against 0 I declare the motion carried.**

Discussion and Questions No discussion or questions were raised.

*(Proxies 38 For 2 Abstain 0 Against)  
(Note 20 to Chairman cannot be voted by Chair on this resolution)*

#### **OTHER BUSINESS:**

In compliance with section 250S of the Corporations Act 2001 (Cth) the shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business that may be brought forward at the meeting in accordance with the Constitution and the Corporations Act 2001 (Cth).

Requested Shareholders to state their name before addressing the meeting.

Are there any questions or comments from the floor?

Mr Huckle – what number of shares are shareholders allowed to hold. Ian G referred to section 9 in the constitution – share holders can only hold 5%.

**Alex Hughes** from Bendigo Bank - it has been a pleasure dealing with the board and reiterated what had been said by the directors. He acknowledged Ken's contribution over the years to both the board, Bendigo Bank and the community. He now has the pleasure of working more with

Sandra since her integration into the Managers role and she and the team are to be congratulated.

**PRESENTATION TO STAFF OF FIVE YEARS OF SERVICE CERTIFICATES** as at 30 June 2011

By Sandra Kleiner Manager assisted by Noela Roberts Director

Su-Ellen Laing started 17 November 2005  
Cheerie Watt started 20 March 2006

Sandra thanked the Board for giving her this opportunity, Alex Hughes, Michael Sims and staff for their support and assistance.

**PRESENTATION OF SPONSOR RECOGNITION CERTIFICATES** Presented by Shareholders to recipients

It is with great pleasure that we present certificates to a number of organizations in the community who we are proud to sponsor.

The Chairman thanked them for promoting Bendigo Bank and helping build a wonderful community bank

A number of organisations have realised that by banking with us they are helping their organisations. The more people that bank with us the more we can give back to the community.

Like the advert says, it all starts with U.

Following on from the success of last year we would like the share holders to make the presentations to the organisations.

**INVITATION ACCEPTED:**

Curl Curl Amateur Swim Club	- John Jackson
Freshwater SLSC	- Bruce Loudon
Freshwater Softball	- Judith De Brazay
Harbord Fish bowl	- Oswald Doherty
Harbord Frigid Frogs	- Henry Elliffe
Harbord Seaside United FC	- Bruce Farrar
Harbord Women's Bowling Club	- Peter Gard
Long Reef Board riders	- Richard Griffin
Mackellar Girls High School P & C Assoc.	-
Manly Mosman Parkinson's Support Group	- Graham Rigoni
Manly Bombers JAFC	- Jeanette Sylvester
Manly Croquet Club Inc	- Robert Huckle
Manly Vale Community Garden	- Pat Austin
Manly Warringah AFL – The Wolves	- Ruth Austin
Manly Warringah Football Association	- Ian Greentree
Manly Warringah Netball Association	- Fay Joynson
Manly Warringah Pipe Band	- Martin Brook
North Curl Curl SLSC	- Cheerie Watt
Northern Sydney Symphonic Wind Ensemble Inc-	Belinda Gordon
St John's the Baptist Catholic School	- Melanie Carson
St Luke's Grammar	- Su-Ellen Laing
St Mark's Church	- Sandra Kleiner
Warringah Rugby – Golden Oldies	- Angela Moore

**- SHAREHOLDER PRESENTING**

**SPONSORED GROUP APOLOGIES:** As per list

**YOUTH OBSERVERS:**

Ian Joynson discussed the Youth Observer Program.

John Vaccaro director drew up the Youth Observer Policy and Procedures for HFS.

We had this year 2 boys from St Luke's Grammar and 2 boys from St Augustine's College.

Bendigo Bank could see the benefit of the Youth Observers as down the track the observer's could come back as an Ambassador.

Read the thank you email from Tim McHugh.

Welcomed Sophie Morton & Lana Remin from Mackellar Girls High School – who will be the 2012 Youth Observers.

Tim Norris from St Augustine's gave a short speech about his time as a Youth Observer.

Trevor thanked everyone for their participation in the evening's proceedings and invited them to join the board in some light refreshments

Declare the meeting closed at 8pm.