



# AGRICULTURAL FINANCE

CO-OPERATIVE LIMITED

ABN 23 048 434 035

## Explanatory Memorandum to Members

### 1 Purpose of Explanatory Memorandum

The purpose of this Explanatory Memorandum is to provide members of the Agricultural Finance Co-operative Limited (the “**Co-operative**”) with the information necessary to enable them to assess the merits of the resolutions to be proposed at the forthcoming annual general meeting of the Co-operative members.

### 2 Outline of Proposals and required resolutions

#### 2.1 Accounts and Reports

The Co-operatives Regulation 2005 (NSW) requires:

- The reports of the directors and auditors; and
- The annual financial report, including the financial statements of the Co-operative,

to be laid before the annual general meeting. Neither the Co-operatives Act nor the Co-operative Rules requires a vote of members on the reports or statements. However, members will be given ample opportunity to raise questions or comments on the reports and statements at the meeting.

#### 2.2 Election of director - Mr Vincent Thomas Germano

Rule 63(c) of the Co-operative Rules provides that at an annual general meeting at which a Director retires or a casual vacancy occurs the vacated office may be filled by electing a person to it. Raymond (Keith) Hay, a director of the Co-operative resigned his position as director for personal reasons and the position is now vacant.

Nominations for candidates to fill the vacant position were sought more than six weeks before the annual general meeting and two nominations were received.

Vincent Thomas Germano was nominated by two Co-operative members to be elected as a Director under Rule 63(c). Accordingly a resolution will be put to the members to elect Mr Vincent Thomas Germano as a director of the Co-operative.

Details of the experience and qualifications of Vincent Thomas Germano follows.

Vincent began his working career in 1972 as a Junior Bank Clerk and worked his way through to Branch Manager, Area Lending Manager and Rural Lending Manager.

He worked mainly in the country areas dealing with a variety of farmers, ie. grain, sheep, cattle, viticulture, citrus, dairy and vegetable growers and included establishing a new community bank branch for Bendigo Bank, making the branch profitable and able to pay dividends to shareholders.

Vincent started his own printing business 14 months ago and is steadily building his client base to a position where it is now becoming a profitable venture.

Vincent believes his experience dealing with the farming community as well as living and working within these farming communities gives him a very strong background to take on the directorship of the Co-operative.

### **2.3 Election of director – Mr Andrew Jackson McLaughlin**

Rule 62 of the Co-operative Rules provides that at the annual general meeting of the Co-operative one director shall retire. Retiring directors are eligible for re-election. John Darcy Tiver, a director of the Co-operative wishes to retire from directorship of the Co-operative at this annual general meeting.

Nominations for candidates to fill the vacant position were sought more than six weeks before the annual general meeting and two nominations were received.

Andrew Jackson McLaughlin was nominated by two Co-operative members to be as a Director under Rule 63(c). Rule 63(c) of the Co-operative Rules provides that at an annual general meeting at which a Director retires or a casual vacancy occurs the vacated office may be filled by electing a person to it. Accordingly a resolution will be put to the members to elect Mr Andrew Jackson McLaughlin as a director of the Co-operative.

Details of the experience and qualifications of Andrew Jackson McLaughlin follows.

Andrew (Andy) McLaughlin began his working career as an apprentice at age 14 and then worked for the Goodrich Tyre Company for three years before joining the Australian Army National Service and Australian Army Reserve and gained Cadet Officer Rank of Captain status. When Andy left the Australian Army Reserve he gained experience in the insurance, sales and marketing areas.

Andy started an investigation and debt recovery business in 1995 until 1998 and then started his current business, Rural Mediation and Consultancy Services in 1998. He provides consultancy, advisory, mediation and negotiation services dealing directly with the major banks and rural lenders.

Since 1998 Andy has researched all areas of farming throughout Australia and has established a consultancy and mediation business available to assist farmers.

Andy believes that the Co-operative directors are fully focused on the welfare of farmers and their businesses to provide the best finance services which will no doubt protect the future of farming in Australia once it has achieved the level of memberships required.

### **3 Directors Recommendation**

The directors of the Co-operative are:

- Robert Charles Colwell
- Robert Charles Yabsley (Chairman)

The directors unanimously recommend that members approve the election of Vincent Thomas Germano and Andrew Jackson McLaughlin and therefore recommend that members approve Ordinary Resolutions 1 and 2.