

## **Director and Related Party Disclosure**

It has been brought to the board's attention that a **Director and Related Party disclosure** was overlooked for the 2010-11 Annual Report. .

Vacant land situated at 5 Kennedy Street Longwarry was purchased by Drouin & District Community Financial Services Ltd during the 2010-11 financial year. The vendor was not a related party to any board member however the selling real estate agent, Terry Williamson, was a director at the date of the transaction. The board overlooked disclosing this related party transaction in the Annual Report for that period.

The real estate agent did not charge commission for the sale of this transaction and did not receive any other income or financial benefit from the transaction.

The minutes from the board meeting where the decision was made to purchase the property do not indicate that the related party nature of this transaction was disclosed at that time.

Drouin & District Financial Services has a Conflict of Interest policy that applies when a matter is to be considered by the board where a director has a conflict of interest, this also applies to related party disclosures. The board acknowledges that this transaction was not treated in accordance with the policy.