

# Logan Community Financial Services Limited

## Annual General Meeting Minutes 7 November 2016

Jason Luckhardt	✓	Russell Jenkins	✓	Sharon Pullen	✓
Michael Wardlaw	✓	Brett Raguse	✓	Kath Wakeling	✓
Robert Herriott	✓	Bridget French	Σ		

There were XXX Shareholders present as per attendance register.

Present: ✓

Apologies: Σ

Alternate: Ω

Absent: K

### Opening:

The Annual General Meeting of Logan Community Financial Services Limited was called to order at 6.08pm on Monday 7 November 2016 at Riverlakes Golf Club & Tavern, 34 Gleneagles Ave, and Cornubia by Chairman Mr Jason Luckhardt.

**A. Welcome by Chairman:** Jason Luckhardt, Chairman of Logan Community Financial Services Ltd welcomes Shareholders to the meeting & introduces Directors, Michael Wardlaw (Deputy Chairman), Sharon Pullen, Brett Raguse, Robert Herriott, Russell Jenkins & Kate Wakeling

**B.** Mr Chairman also welcomes Special Guests: Branch Managers, Matthew Harris, Linda Ambrose, Scott Northfield & Mary Wright. Like to introduce our new Mobile Relationship Manager Mark Lang & Peter Dirkx, Senior Manager Community Relationships – Gold Coast / Brisbane. Also a special welcome to David Hutchings from AFS & Associates, David represents the Company's Auditor.

**C. Apologies:** Bridget French & Trudy Hill

**D. Quorum:** Mr Chairman confirms that there is a quorum present and declares the meeting open for business.

**E. Notice of Meeting:** Mr Chairman states that the Notice of Annual General Meeting was sent in the mail. It was agreed that the notice could be taken as read.

**F. Minutes of previous Annual General Meeting:** The minutes of the previous general meeting of members of Logan Community Financial Services Limited held on 9 November 2015, were approved by the board and signed by the Chairman in accordance with the provisions of section 251A of the Corporations Act. All present are in favour of acceptance of the previous minutes.

**G. Proxy Votes:** Mr Robert Herriott, Company Secretary, reports that the number of valid proxy forms received at the business office of the Company by 5pm on 3 November 2016 was 23.

**H. Annual Report:** The first item of business is the consideration of the Company's Financial Report for the year ended 30 June 2016, the Director's Report and the Auditor's Report. Mr Chairman asks if there are any questions in writing had been put to the Auditor. The Auditor advised that there were no written questions received.

**I. Discussion:** The subject of the Company's Annual Financial Report is open for discussion.

**Question 1**      **Shareholder** Central Plumbing Supplies P/L (Andrew Bennett) questioned the decline of revenue

**Response**      **Chairman** - largely contributed to by the continued decline in rates & margin squeeze on core banking products

**Question 2**      **Shareholder** Central Plumbing Supplies P/L (Andrew Bennett) questioned the number of directors

**Response**      **Chairman** - lower number of directors than many smaller CB companies

In terms of the size of the region (Logan) in which our 5 branches cover we are very light on, the amount of work involved managing the governance of a board along with the Franchise compliance is time consuming particularly for directors running their own businesses or for those employed otherwise

**Question 3** **Shareholder** Central Plumbing Supplies P/L (Andrew Bennett) questioned support Bendigo & Adelaide Bank Ltd provide to the CB considering their “incredible profit “ & consideration of reducing their profit share

**Response** **Kate Wakeling (Alternate Director)** retail sector of BEN did not perform less than 10% was contributed by Community banks?

Strong conversations are being had by a number of CB companies including LCFSL on containment of expenses

13 rates cuts & very low margins as Jason said have made for an extremely difficult environment for banking business

BEN remains very supportive of CB companies commitment of the MDF investment of \$40million given back to 312 CB branches is the main approach to assist with community funding to help build business & growth

**Russell Jenkins (Director)** commented that the underlying suggested from Andrew was that BEN are profiteering from the CB – absolutely not the case- margins are now half of what they were at the kick of community bank model. The model was designed around 50/50 share of core banking products – currently a 52/48 split in CB favour now. CB's are a very expensive operations to run in comparison to other banking franchises. Nationally CB have collectively committed \$150million back into local communities which BEN support. LCFSL decline is due to the lower margins, we have high deposits earning 0% interest hopefully when rates rise this will improve. It's not just about shareholder return

**Question 4** **Shareholder Central Plumbing (Andrew Bennett) does not explain the profit difference**

**Response** **Chairman** Offer extended to arrange a meeting with Andrew externally to discuss further

**Question 5** **Laurie Koranski – Logan City Councillor** - what we can look forward to in the coming year

**Response** **Chairman** - continued control of costs & maintaining income earnings would like to think we would remain stable – although as a highly urbanised region occupancy costs were difficult to contain hence our board decision to purchase the property at Loganholme remains a good economic decision

Banking environment has changed extremely over the years – fewer over the counter transactions we constantly need to be looking for new initiatives of engagement for this new era of banking – strategic planning by our board

Support the model, get banking with us refer your friends & family – increased business growth provides more return to the CB Company & our community

**Question 6** **Shareholder - Bob Hambling** - Why are the directors not all shareholders or only have small shareholdings

**Response** **Chairman** advised that he did have a parcel of shares not able to speak for fellow directors but believes majority do hold shares but again reiterated the support of the CB model & banking products is more beneficial, however he would discuss this further with fellow directors

**Question 7** **Shareholder Mike Ross** – how do we overcome the monopoly big 4 have

**Response** **Peter Dirkx** - explained that BEN have been working hard to achieve the Advance Accreditation under the Basel III global accord on capital and liquidity which would put the bank under a new regime that will allow us to borrow at lower rates & have a more competitive edge – this all takes time as it is governed by regulatory bodies & we are looking at a 12 month timeframe

**Chairman** commented that it's also about brand awareness & often the confusion about Bendigo Bank not being a bank that offers a full services of products – we do & we need to keep delivering this message – please be spokespeople for your community bank

J. **Chairman's Address:** Mr Chairman speaks briefly to the Shareholders present.

K. **Resolutions:**

1. **Re-election of Director retiring by rotation**

Chairman Mr Jason Luckhardt puts forward the Motion that Mr Russell Jenkins be elected as a director of the company.

**Seconded:** **Mr Lola Whitehall**

**Motion Carried** (Proxies – For 22, Against 1 Abstain 0)

**2. Re-election of Director retiring by rotation**

Chairman Mr Jason Luckhardt puts forward the Motion that Mr Brett Raguse be elected as a director of the company.

**Seconded:** Mrs Wilma Sones **Motion Carried** (Proxies – For 22, Against 1, Abstain 0)

**\*\* Amendment** – the initial Secunder for this motion Mr Max Noble was found not to be a shareholder & therefore not able to vote it was noted that Mrs Sones also voted & her vote was accepted as Seconded

**3. Re-election of Director retiring by rotation**

Chairman Mr Jason Luckhardt puts forward the Motion that Mr Robert Herriott be elected as a director of the company.

**Seconded:** Mrs Wilma Sones **Motion Carried** (Proxies – For 22, Against 1, Abstain 0)

**\*\* Amendment** – the initial Secunder for this motion Mrs Victoria Mitchell was found not to be a shareholder & therefore not able to vote it was noted that Mrs Sones also voted & her vote was accepted as Seconded

**4. Election of Director**

Chairman Mr Jason Luckhardt puts forward the Motion that Mrs Bridget French be elected as a director of the company.

**Seconded:** Mr Robert Herriott **Motion Carried** (Proxies – For 22, Against 1, Abstain 0)

**3. Adoption of Remuneration Report**

Mr Chairman puts forward the motion that the Remuneration Report be adopted.

**Seconded:** Mr Ronald Michael Ross **Motion Carried** (Proxies - For 22, Against 0, Abstain 1)

**Objection:** Central Plumbing Supplies P/L (Mr Andrew Bennett)

**L. Special Business**

The special item of business relates to an amendment to the Company's constitution.

During preparation of the annual financial report, in which there is a requirement to address the issue of prohibited shareholdings as stated in the Constitution of the Company, it became apparent that there is a need to reduce the base number from 1129 to 1029.

Corporations act requires that a Special Resolution must be passed by at least 75% of votes cast by shareholders of the company.

Mr Chairman puts forward the Motion that Clause 9 (2B) of the Constitution be amended to read:

"In this Rule 9, Base Number means 1029"

**Seconded:** Mr Robert Herriott **Motion Carried** (Proxies For 23, Against 0, Abstain 1) in excess of 75% of shareholders voted in favour of the motion.

**L. Dividend Announcement**

Chairman advises that an announcement was lodged today on the NSX website that we have declared a 3.5cent fully frank dividend due for payment 1 December 2016

**M. Close of Meeting**

The Chairman, Jason Luckhardt thanked all present for their commitment and inputs during the Annual General Meeting and concluded the meeting at 6.45pm.

Minutes submitted by: Robert Herriott, Company Secretary



Approved by: Jason Luckhardt, Chairman

