
Notice of Annual General Meeting

Logan Community Financial Services Limited

A.B.N. 88 101 148 430

To be held at Springwood Tower Hotel, Murrajong Rd SPRINGWOOD QLD
on 7th November 2005 at 2.30pm

Ordinary Business

1. Receipt of Annual Report

To receive the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2005.

2. Election of directors

To consider, and if thought fit, to pass each of the following resolutions as an ordinary resolution.

- (a) That Mr Russell Jenkins be elected as a director of the Company.
- (b) That Mr Zen Knezevic be elected as a director of the Company.
- (c) That Mr John McLaughlin be elected as a director of the Company.
- (d) That Mr Richard Saad be elected as a director of the Company.
- (e) That Mrs Jennifer Townend be elected as a director of the Company.

Special Business

3. Remuneration Report

To consider, and if thought fit, pass the following resolution as an ordinary resolution.

That the remuneration report be adopted.

4. Adoption of New Constitution

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

That the Constitution contained in the document submitted to the meeting marked 'A' and initialled by the Chairman for the purposes of identification be adopted as the constitution of the Company in substitution for and to the exclusion of the existing constitution of the Company.

Attending the meeting

All shareholders may attend the Annual General Meeting.

Joint holders: In the case of joint shareholders, all holders may attend the Meeting. If only one holder attends (including by proxy), that shareholder may vote at the Meeting as if that holder were solely entitled to the shares. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register may vote.

Corporate shareholder: A corporate shareholder may appoint one or more persons to act as its representative under section 250D of the Corporations Act, but only one representative may exercise the corporate shareholder's powers at any one time. The Company requires written evidence of a representative's appointment to be given to the Company before the Meeting.

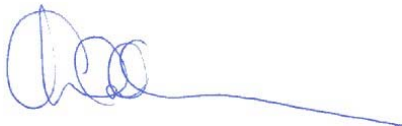
Proxy: If you are unable to attend the Meeting, you are entitled to appoint a proxy to attend and vote. See the attached Proxy Form for information on appointing a proxy.

Voting rights

Each shareholder is entitled to one vote.

For the purposes of voting at the Meeting, shares will be taken to be held by the persons who are registered as members as at 5pm on 3rd November 2005.

By order of the board



Cathleen Wallis
Company Secretary
3rd October 2005

A proxy form accompanies this Notice of Meeting. A member entitled to attend and vote at this meeting is entitled to appoint a proxy. The proxy need not be a member of the Company.

Explanatory Notes

This information has been included to assist you in making an informed decision about the resolutions proposed at the meeting.

Agenda item 2: Election of directors

The following information is provided about candidates for election to the Board.

- (a) Mr Russel Jenkins retires by rotation in accordance with the constitution of the Company, and being eligible, offers himself for re-election.
- (b) Mr Zen Knezevic retires by rotation in accordance with the constitution of the Company, and being eligible, offers himself for re-election.
- (c) Mr John McLaughlin retires by rotation in accordance with the constitution of the Company, and being eligible, offers himself for re-election.
- (d) Mr Richard Saad, having been appointed by the Board since the last annual general meeting, retires in accordance with the constitution of the Company, and being eligible, offers himself for election.
- (e) Mrs Jennifer Townend, having been appointed by the Board since the last annual general meeting, retires in accordance with the constitution of the Company, and being eligible, offers herself for election.

Director Candidate Information

The following information is provided by each candidate offering him/herself for election to the Board of Directors. LCFSL makes no representation about the accuracy of information provided by each candidate.

Mr. Russell Jenkins

DOB: 26 November 1961
Occupation: Bank Executive
Employer: Bendigo Bank



Chief General Manager Retail & Distribution of Bendigo Bank. Russell Jenkins is a qualified chemical engineer with a wide experience in business and banking. He has worked with Visy Board and the consulting arm of Price Waterhouse. Russell is a valuable resource for the board of LCFSL, and the board recommend his re-election.

Mr. Zen Knezevic

DOB: 23 December 1967
Occupation: Business Consultant
Employer: Self Employed



With over 17 years in international Hotel management and professional sports, Zen Knezevic is a Director of the Business Intelligence Agency, consulting with organisations on project management, internal auditing and human resource management. A member of the Internal Auditing Benchmarking Association, the International Association of Certified Coaches, previous treasurer of LCFSL and a member of the Marketing, Business Development and Internet committee for the company, Zen has contributed a great deal to the growth of the company. Zen's contact with the multi cultural community in Logan has assisted the company to access this section of the community. The board recommend the re-election of Mr Knezevic.

Mr. John McLaughlin

DOB: 5 December 1961
Occupation: Solicitor
Employer: McLaughlin & Associates



Operating in the Logan area for the last 18 years, John McLaughlin runs the largest law firm in Logan city, and is active in many community, business and commercial organisations. John is the Vice Chairman of LCFSL and serves on the Governance, Audit and Human Resources committee for the company. John's firm is engaged by the company from time to time for legal advice, and he has frequently assisted the company in his own time in legal matters. The board recommend the re-election of John McLaughlin.

Mr. Richard Saad

DOB: 25 October 1958
Occupation: Restaurant and Internet Business Owner
Employer: McLaughlin & Associates



Richard Saad runs Café Metzzo in the Logan Hyperdome, combining this experience with web based internet marketing. Richard is highly involved in the Logan community, sponsoring many charity events and serving as an executive member of the Chamber of Commerce. His marketing and skills and innovative approach to problems is valued by the board. Richard joined the board on 20 February 2005 and as per the constitution must be elected at the next AGM Richard serves on the Marketing, Business Development and Internet committee, and is actively involved in marketing the company to the Logan community. The board recommend the election of Richard Saad.

Mrs. Jennifer Townend

DOB: 19 September 1958
Occupation: Manager
Employer: Volunteering Logan River Valley



Jennifer Townend has spent the last three years working in the Not for Profit sector in Logan, assisting charitable organisations with applied management and financial management skills. She has operated her own business with her husband – the leading independent service station supplier in Queensland - and worked as a legal secretary. Jennifer currently manages a workforce of 140 volunteers, and was instrumental in the establishment of the Logan Beaudesert Volunteer Resource Centre. Jennifer's marketing and management skills are highly regarded by the board, and she serves on the Marketing, Business Development and Internet committee. Jennifer joined the board on 11 August 2005 and as per the constitution must be elected at the next AGM. The board recommend the election of Jennifer Townend.

Agenda item 3: Remuneration report

The Corporations Act requires a resolution that the remuneration report contained in the Company's annual report be adopted, be put to the vote. The resolution is advisory only and does not bind the directors of the Company.

Agenda item 4: Adoption of New Constitution

The Board has decided that the Company should adopt a new Constitution. The proposed new Constitution (***Proposed Constitution***) is based on the Company's existing constitution (***Existing Constitution***), though it has been updated and amended in certain key areas, as discussed in these Explanatory Notes.

The Proposed Constitution expressly acknowledges that the principal purpose of the Company is to enter into, and carry into effect, the franchise arrangements with Bendigo Bank Limited (***Bendigo Bank***) under the Community Bank® project, as well as any other arrangements with the Bendigo Bank group that Bendigo Bank may permit. The Board is expressly given the power to carry out this purpose and maintain and develop the relationship with Bendigo Bank. This, of course, acts as limit on the activities of the Company, but reflects the purpose for which the Company was established.

A copy of the Proposed Constitution and the Existing Constitution may be inspected at the Company's Registered Office during normal business hours or at the annual general meeting itself.

Alternatively, upon request from a shareholder before the meeting, the Company Secretary will send a copy to you.

A discussion of the more significant changes to be effected by this Resolution is set out below.

Ownership Rules

As noted above, the Proposed Constitution expressly acknowledges the principal purpose of the Company. In addition, there is an express acknowledgement of the importance of broad community ownership of the Company and, accordingly, that the Board is authorised to exercise its powers and carry into effect the rules in the constitution to protect and enhance this broad community ownership.

In particular, the Existing Constitution contains a rule that, in general terms, prohibits a person from owning or controlling 10% or more of the Company. In the Proposed Constitution, this rule is maintained. In particular, under the Proposed Constitution, there are two new ownership rules in Rule 9.

- First, persons with voting power in the Company (eg, shareholders) must have, in the opinion of the Board, a close connection to the community or communities in which the Company predominantly carries on its business. For example, individuals who reside in **Logan** or a company with a registered office in **Logan** that is owned and controlled by such individuals, would ordinarily be considered to have this close connection. Existing shareholders are all deemed to have this connection, but this deeming rule will not apply to new shareholders.
- Second, share transfers will not be permitted where, after the transfer, the number of shareholders in the Company would be less than the Base Number (being, **1229**) (the **Base Number Restriction**).
- To enforce the ownership rules in the Constitution, Directors have the power to require a divestment of shares where the rules are infringed. In addition, dividend and voting rights are suspended where the rules are infringed. While these rules impact on the freedom of shareholders to deal with their own shares, and so may impact adversely on the price of shares in the Company, these rules reflect the view that it is in the best interests of the Company and its business that there is broad local ownership of the Company.

Shareholders should note that the Base Number Restriction will only operate if the Bendigo Stock Exchange confirms that the rule is appropriate and equitable. Discussions with the Bendigo Stock Exchange are currently underway, and shareholders will be updated on any developments at the meeting. If Bendigo Stock Exchange does not confirm that the rule is appropriate and equitable, the Base Number Restriction will be of no effect and can be ignored.

Changes to facilitate BSX Listing

The Proposed Constitution includes a number of amendments intended to facilitate the Company's listing on the Bendigo Stock Exchange (BSX), or another Australian stock exchange, or which are required to ensure compliance with the BSX Listing Rules. These amendments include changes that make it clear that where the Company is listed:

- a transfer of shares can be effected in accordance with the applicable transfer and settlement rules of the BSX and that, accordingly, the Company is authorised to do anything to participate in such a system (Rule 27);
- the Board's ability to refuse to register a transfer is restricted to certain limited situations (eg where expressly permitted to do under the BSX Listing Rules or where the Board does so to enforce the ownership rules discussed above) (Rules 28 and 28A);
- the transfer and settlement rules of the BSX Listing Rules take precedence in respect of the rules applying to transfers (Rules 29 and 31); and
- the BSX Listing Rules that apply to "restricted securities" (in general, these are securities that have been issued in exchange for an asset) are incorporated into the constitution (in particular, an escrow period may apply during which the securities cannot be transferred) (Rule 96).

Rotation of directors

The Existing Constitution already contains a rule requiring Directors to periodically stand for re-election. This rule is being updated under the Proposed Constitution. Under Rule 62 of the Proposed Constitution, at every annual general meeting after the Company's first one, one third of the longest serving directors (other than the Managing Director) must retire from office, and no director (other than the Managing Director) can serve for longer than three years (or three annual general meetings, whichever is longer). However, a retiring director is eligible for re-election. Further, persons who are appointed as Directors by the Board must retire at the next annual general meeting, but are eligible for re-election (Rule 52(2)) and an employee who is a Director must retire as a Director if they cease to be an employee, but are eligible for re-election as a Director (Rule 61).

The purpose of these Rules is to ensure that shareholders are regularly given the opportunity to vote on their Directors. Of course, persons who are not directors can stand for election as a Director, provided they comply with the nomination procedures in the Constitution.

Probity checks for directors

Given the nature of the business carried on by the Company, and the community nature of the Company, it is important that the Company is able to take all reasonable steps to satisfy itself of the integrity of its Directors. As part of this process, it has been decided that existing and prospective Directors should undergo reasonable probity checks as a condition of their appointment as Directors. This is set out in Rules 62 (6A), (6B) and (6C) of the Proposed Constitution.

Those rules require that a person nominated for appointment as a Director will need to undergo a probity check (primarily, a national criminal record check) in accordance with the Board's procedures. Existing Directors will need to undergo such a check within six months and all Directors can be required to undergo a further check every 12 months.

Miscellaneous changes

The Proposed Constitution also contains a range of other minor changes to reflect changes in law and in practice. For example:

- the Proposed Constitution expressly allows the Board to serve notices on shareholders in any way permitted by the Corporations Act (for example, the Corporations Act sets out a procedure for notifying a shareholder electronically that notices of meeting can be accessed electronically, where a shareholder has provided an electronic address for this purpose).

A copy of the proposed new constitution will be available at the meeting, or may be obtained via written application to the registered office of the company at any time.

Proxy Form

Logan Community Financial Services Limited

ABN 88 101 148 430

All correspondence to:
Logan Community Financial Services Limited
PO Box 814
Springwood QLD 4127
Enquiries: 07 3808 1011
Facsimile: 07 3808 1392

Mark this box with an 'x' if you have made any changes to your details (see reverse)

☐

Name :

Address :

Suburb State Postcode :

Appointment of Proxy

I/We being a member/s of Logan Community Financial Services Limited and entitled to attend and vote appoint the person named below or, if no person is named below, the Chairman of the Meeting as my/our proxy to vote in accordance with directions set out below (with a discretion as to any business not referred to below) or, if no directions are given, as my/ our proxy sees fit, at the Annual General Meeting of the Company to be held at Springwood Tower Hotel, Springwood on 7th November 2005 and at any adjournment of that meeting.

☐

The Chairman
of the Meeting
(mark with an 'x')

OR

Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting.

Voting directions to your proxy – please mark

X

to indicate your directions

Ordinary Business

Item 1. Receipt of financial report

Item 2. Re-election of Mr. Russell Jenkins

Item 2. Re-election of Mr. Zen Knezevic

Item 2. Re-election of Mr. John McLaughlin

Item 2. Election of Mr. Richard Saad

Item 2. Election of Mrs Jennifer Townend

Item 3. Adoption of Remuneration report

Item 4. Adoption of New Constitution

For Against Abstain*

****If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in working out the required majority on a poll.***

Please Sign Here This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

How to complete the Proxy Form

1 Your name and address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. **Please note you cannot change ownership of your shares using this form.**

2 Appointment of a proxy

A member entitled to attend and vote at the meeting may appoint one proxy. A proxy need not be a member of the Company.

3 Identity of proxy

If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the meeting please write the name of that person. If you leave this section blank, the Chairman of the meeting will act as your proxy.

4 Voting instructions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

5 Signing instructions

The Proxy Form must be signed in the spaces provided.

Individual: If the holding is in one name, the holder must sign.

Joint Holding: If the holding is in more than one name, any one holder may sign.

Power of Attorney: To sign under power of attorney, you must have already lodged this document with the Company or attach a certified copy of the power of attorney to this form when you return it.

Companies: If the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (under section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the Company is to attend the meeting, the appropriate "Certificate of Appointment of Corporate Representative" must be produced before admission to the meeting.

Lodging instructions

This Proxy Form (and any power of attorney under which it is signed) must be received by the Company not later than 48 business hours before the meeting (i.e. by close of business on Thursday 3rd November 2005). Any Proxy Form received after that time will not be valid for the scheduled meeting. Documents may be lodged in any of the following ways:

- By post or hand delivery to the Company's registered office at 11 Vanessa Boulevard, Springwood QLD 4127
- By facsimile to 07 3808 1392
- By email to lcbadmin@logancommunityservices.com.au

The Directors urge you to send a proxy form if you are not able to attend the Annual General Meeting. A proxy form ensures that your vote as a shareholder is recorded.