

**DROUIN AND DISTRICT COMMUNITY FINANCIAL SERVICES LTD
2020 ANNUAL GENERAL MEETING MINUTES**

Held via Zoom due to COVID-19 restrictions

November 20th 2020, 6:33pm

1A) DIRECTORS PRESENT:

Director/Shareholders: Rod Dunlop (Chairman), Rob Celada (Company Secretary), Kim Rees, Martin Sayers

Directors: Matthew Williamson, Brett McKellar, Vanessa Marsh, Sean Walsh

1B) GUESTS:

Helen Taylor (Treasurer), Rob Hutchinson (Branch Manager), Katy Slater, (Assistant Branch Manager), Julieanne Palinkas (Admin Officer), Jake Rabl (Accountant - Robertson Wouters)

1C) APOLOGIES:

The Chairman advised that apologies were received from:

- Director/shareholder Matt Middel
- Gerry Marvin – Regional Manager, South West Gippsland, Bendigo & Adelaide Bank
- John Atkins, shareholder

2 – DECLARATION OF QUORUM AND FORMAL OPENING OF MEETING:

The Chairman welcomed everyone to the company's first AGM to be held via *Zoom*. He advised that the meeting was being held virtually due to the current COVID-19 restrictions in place and that temporary changes to the Corporations Act allows for meetings to be held in this way.

The Chairman confirmed that a quorum (two shareholders) was present and the meeting was declared open for business. He added that fourteen (14) proxies had been received prior to the meeting.

3 – CONFIRMATION OF NOTICE OF MEETING:

The Chairman confirmed that the Notice of Meeting was issued in accordance with the Company's Constitution and the Corporations Act to all shareholders

4 - MINUTES OF PREVIOUS ANNUAL GENERAL MEETING:

The Chairman reported that the minutes of the 2019 Annual General Meeting were approved and signed by the Chairman in accordance with the provisions of the Corporations Act and the procedures adopted by the Board. Members were advised that a copy of the minutes were available from the corporate office and had also been posted on the company's website if anyone wishes to view them.

5 - BRANCH MANAGER'S REPORT:

The Branch Manager's Report noted:

- It had been another challenging but successful year
- Nearly half of the year was impacted by COVID-19
- The branch placed the customers at the forefront to support them through these uncharted times
- The timing and look of the recovery remains uncertain
- Other challenges faced during the year included continually decreasing interest rates and increased competition
- Positives for the year included:
 - Banking business grew to be \$249 million
 - Net growth for the year was \$9,370,287. This was against a budget of \$10 million
 - Net profit was 102% of budget projection
 - The company distributed approximately \$324,000 in contributions to local community groups. Over \$6.4 million has been returned since the company's inception
- Branch funds currently sit at approximately \$255 million
- He thanked:
 - The branch team for their work and noted that Kim Nelson has now marked fifteen (15) years with the branch
 - The Board of Directors
 - The shareholders, customers and the franchise partner Bendigo & Adelaide Bank
- He highlighted that the branch is now the only provider of face to face banking services in Drouin and that recently the company had launched a *Bank Local* campaign which is being ran across radio as well as social and print media

6 - CHAIRMAN'S REPORT:

The Chairman's Report noted:

- Despite the bushfires earlier in the year and COVID-19, the company had enjoyed another successful year
- Branch Manager Rob Hutchinson has now been with the company for four (4) years and his enthusiasm and experience are having a positive impact
- Unlike the other major banks, the company maintains a strong commitment to Drouin, Longwarry and the surrounding area and the company also continues to look to build a presence in Warragul
- Unfortunately, due to COVID-19 restrictions, less cheque presentations were able to be held this year, however those that could proceed were well attended and positively reinforced the community banking message
- The company's shareholders remain the Board's key responsibility and focus

- The Chairman declared that a dividend of 15 cents per share fully franked would be paid to those holding shares at the close of business 28th February 2021
- When determining the dividend directors felt that given the high levels of uncertainty it was prudent to be conservative. He added that as a comparison, Trafalgar had announced a dividend of 12 cents per share, Neerim 4.25 cents per share and Bunyip advised its shareholders that there would be no dividend this year
- The company is excited about its construction project which includes a community space and two (2) shops. He was pleased to advise that one of the shops had already been leased. Construction is due to be completed in early 2021. He thanked project leaders Kim Rees and Sean Walsh for their work
- The current corporate office will also be sold
- The company has worked to strengthen the relationship with Baw Baw Shire Council with the company contributing \$250,000 to the Drouin Civic Park upgrade. The company's focus is on the playground redevelopment. Works on the project have commenced and it is expected that it will be finished in early 2021
- Branch team members were thanked for the flexibility and resilience they had shown through the pandemic
- He congratulated Kim Nelson on marking fifteen (15) years with the branch, adding it was pleasing to see such loyalty
- He thanked directors for the good, honest and transparent discussions which were being held at meetings
- Those present were advised that Rob Celada, Matt Middel and Martin Sayers were retiring by rotation. All were thanked for their service. It was noted that whilst Rob had renominated, Martin and Matt had chosen not to. Martin has not renominated due to health issues and Matt hasn't renominated due to business commitments. Rod thanked them again for their contribution to the Board. Both Martin and Matt will receive a small thank you in the near future
- He concluded the report by noting the future will be challenging but the company remains positive

7 - OPEN FLOOR FOR QUESTIONS:

The Chairman sought if anyone had any questions that they would like to ask the Board. None were forthcoming.

8 - BUSINESS REQUIRING VOTING BY MEMBERS:

A) Adoption of Accounts:

The Chairman presented the Financial Report and Directors' Report for the company together with the Auditor's Report for the year ended 30th June 2020 and proposed that they be submitted to the meeting and be resolved that they be received and accepted

MOTION: That the Financial Report and Directors' Report for the company together with the Auditor's Report for the year ended 30th June 2020 be submitted to the meeting and be received and accepted

Moved: Rob Celada

Seconded: Kim Rees

Carried on a show of hands (Unanimous). Fourteen (14) proxies also approved this item

B) Election of Directors:

Those present were advised that Matthew Middel, Martin Sayers and Rob Celada resigned pursuant to Rule 62(1) of the constitution. Rob Celada then offered himself for re-election.

MOTION: That Roberto James Celada be re-elected as a Director of the company

Moved: Kim Rees

Seconded: Martin Sayers

Carried on a show of hands (Unanimous). Fourteen (14) proxies also approved this item

C) Change of Auditor:

The Chairman outlined to those present that the Board and the company's accountants Robertson Wouters have held some concerns regarding the current auditor in relation to their timeliness and work. The Board had tried to discuss the matter with the Auditor but the performance remained poor. The Board then determined to seek a replacement who also held community banking experience. Local firms were invited to apply but chose not to.

MOTION: That Julius Sommers be removed as Auditor of the company

Moved: Rob Celada

Seconded: Kim Rees

Carried on a show of hands (Unanimous). Thirteen (13) proxies also approved this item. There was one (1) abstention

MOTION: That the appointment of Andrew Frewin Stewart as Auditor of the company be approved as a special resolution

Moved: Rob Celada

Seconded: Martin Sayers

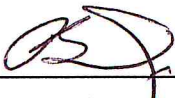
Carried on a show of hands (Unanimous). Fourteen (14) proxies also approved this item.

9) CLOSURE OF MEETING:

The Chairman thanked everyone for attending. He also thanked those who had worked to organise the meeting and added that he hoped that the 2021 AGM would see everyone be able to meet in person.

The meeting was declared closed 6:54pm

Signed as a correct record



(Chairman)