Australian Shareholders' Association

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Company	Johns Lyng Group
Code	JLG
Meeting	AGM
Date	21 November 2019
Venue	RACV City Club, Melbourne
Monitor	John Whittington (proxy collector)

Number attendees at meeting	About 50
Number of holdings represented by ASA	2
Value of proxies	$11,000
Number of shares represented by ASA	5,700
Market capitalisation	$444m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No

Success in Catastrophes and Growth into Strata Management

Johns Lyng Group (JLG) is a company which predominantly provides building and restoration services, mostly for insurance companies, across Australia. The current CEO acquired the company (initially a Melbourne builder started in 1953) in 2004 and since that time has grown the business and then listed it on the ASX in October 2017. He is still the largest shareholder, owning over 26% of the company.

The Chair gave an upbeat presentation on the growth of the company over the year and highlighted that this on top of a very strong Financial Year 2018 (FY18) which was supported by considerable recovery work (the most significant in the group's history) from Cyclone Debbie. FY19 results benefited from the Sydney hailstorm and the Townsville floods catastrophe (CAT) events.

The CEO then outlined more details about the company's performance over the year, highlighting the growth, the importance but lack of ability to forecast events. He also highlighted how it is a unique selling point of the company to provide scalability at such time, and what the company reinvests in the local community following catastrophic events. He also discussed the recent purchase of Bright & Duggan, a strata management company and how this can integrate with JLG's other businesses.

Questions were asked about the impact of bushfires on the business (some opportunity but bushfires tend to be complete wipe outs settled in cash) and whether, following the Royal

Commission, insurers were moving away from cash settlements (yes, but not as much as expected).

Items up for voting were the (somewhat unconventional) Remuneration Report, the re-election of Lindsay Barber as a director, and the issue of performance rights to the four executive directors. Questions were asked about the hurdles in the remuneration awards, and ASA expressed concern that there isn't a clear majority of independent directors and diversity could be better. The Chair indicated that the company indicated at the IPO that it would move slowly from the pre-IPO entrepreneurial structure to a more conventional listed structure and that this would take some time. ASA voted against all items, but all were passed with 95+% of the vote.