



2020

POLICE BANK

Annual General Meeting & Director Elections

PoliceBank 
The strength of community

border bank 

Bank of
Heritage Isle 

A MESSAGE FROM OUR CEO

Dear Member,

On behalf of the Board of Directors of Police Bank, it is my pleasure to invite you to the 2020 Annual General Meeting (AGM) of Police Bank Ltd on Thursday, 26 November 2020. The AGM will commence at 6:00pm in the Banquet Hall at the Sydney Masonic Centre, 279 Castlereagh Street, Sydney NSW 2000.



At the AGM, our Board Chair, Mr. Peter Remfrey, and I will provide members with an overview of your Bank's performance for the financial year ending 30 June 2020, and will update you on our strategy for the year ahead. We will also provide an update regarding the implementation of the strategic and cultural refresh announced in May and its positive impact on the Bank's performance in FY 2020/21.

Eligible Members have the opportunity to vote in our 2020 Board of Directors election - details are enclosed in this pack. The final results will be announced at the AGM. Eligible Members will also have the opportunity to vote on Board Remuneration and other important matters set out in the agenda by attending our AGM in person, or if you prefer, by lodging a proxy as enclosed with this booklet.

The Annual Report will be available on our website subsequent to Board sign off and ASIC lodgement on 30 October.

The Directors and Executive team of Police Bank look forward to seeing you at the AGM.

A handwritten signature in black ink, appearing to read 'G. McKenna'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Greg McKenna
CEO
23 October 2020

NOTICE OF ANNUAL GENERAL MEETING

POLICE BANK LTD ABN 95 087 650 799

Police Bank Ltd hereby gives notice that the Annual General Meeting of Members will be held in the Banquet Hall, Sydney Masonic Centre, 279 Castlereagh Street, Sydney on Thursday, 26 November 2020 commencing at 6:00pm.

AGENDA

Ordinary Business

1. Apologies

2. Minutes

To confirm the minutes of the 2019 AGM held on 28 November 2019 by a show of hands.

3. Financial statements and reports

To receive and consider the consolidated financial statements of the Company and its controlled entities and the reports of the directors and auditor for the financial year ended 30 June 2020.

4. Director Elections

To receive the announcement of results of the 2020 Board of Director Elections.

5. Directors' remuneration for 1 December 2020 to 30 November 2021

To consider, and if thought fit, pass the following as an ordinary resolution by a show of hands:

"That Members approve the amount of \$736,000, as the total pool of Directors' Fees for the period 1 December 2020 to 30 November 2021 with the payment to individual Directors being at the discretion of the Board. Further that the superannuation guarantee levy contributions are inclusive within the pool amount."

6. Constitutional Amendments

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

"That the Constitution be amended in the manner set out in the Schedule of Proposed Constitutional Amendments tabled at the meeting and, for the purposes of identification, signed by the Chair."

7. General Business

EXPLANATORY NOTES

2. Minutes

The Minutes from the previous year's AGM will be made available at the AGM or can be viewed on our website via the section titled Annual Report and AGM, or you can request a copy from our Company Secretary by emailing secretary@policebank.com.au.

3. Financial statements and reports

The Corporations Act 2001 and the Constitution require that the Bank's Financial Report, Directors' Report and the Auditor's Report for the year ended 30 June 2020 be presented at the meeting. Whilst a Member resolution is not required under the Corporations Act 2001, the Directors believe that asking the meeting for an advisory vote by a show of hands at the AGM is important to engage with you on important issues affecting the Bank.

The Police Bank Annual Report, which includes the financial statements and reports will be available on our website via the section titled Annual Report and AGM, subsequent to lodgment with ASIC at the end of October 2020.

4. Director elections

The results of the 2020 Board of Director Elections, conducted by secret ballot before the AGM, will be announced at the AGM as required by the Constitution. No Member vote in this regard is required at the AGM.

There are three Director positions to be filled and five candidates. In accordance with the Constitution: the election process is via a ballot; the order in which the candidates appear has been determined by the returning officer by lot; and the candidates with the highest number of votes are appointed as Directors. The Directors elected at this AGM will hold office for the period to the AGM in 2023.

Raff Del Vecchio, David Hudson and Robert Redfern are existing Directors of the Bank. In accordance with the Bank's Constitution, the term of office for this Director ends at the conclusion of the 2020 Annual General Meeting. Mr Del Vecchio, Mr Hudson and Mr Redfern seek re-election to the Board, and have been interviewed by the Nominations Committee and passed the tests for fitness and propriety under the Board's Fit and Proper Policy.

Nick Kaldas and Bruce Williams are Members of the Bank who seek election to the Board, have been nominated by five Members for election as Director, have been interviewed by the Director Nominations Committee and passed the tests for fitness and propriety under the Bank's Fit and Proper Policy. The content of the candidate statements on pages 6 and 7 have been reproduced as received from the candidates.

5. Directors' remuneration

The Board is seeking approval for a Directors pool which is, at \$736,000 the same amount as was approved by Members at the 2018 and 2019 AGMs.

Members can vote on this item at the AGM by show of hands, or by appointing a proxy. A proxy form has been included in this pack, or can be obtained from our website via the section titled Annual Report and AGM, or you can request a copy from our Company Secretary by emailing secretary@policebank.com.au.

6. Constitutional Amendments

The Schedule of Proposed Constitutional Amendments are as follows:

WE ARE PROPOSING TWO AMENDMENTS TO THE CONSTITUTION TO SIMPLIFY UNCONTESTED ELECTIONS AND TO ADDRESS THE REMOVAL OF MEMBERS EXHIBITING INAPPROPRIATE CONDUCT IN THE MANAGEMENT OF THEIR ACCOUNTS.

6.1. Uncontested Director elections

The proposed amendments seek to clarify the status of candidates for election as Directors of the Bank when the number of candidates is equal or less than the number of vacancies.

It is proposed that while there is no change to the constitution that these candidates are elected to the position of Director on the basis that there are an equal or greater number of vacancies with no election ballot process necessary. The amendment allows that the candidates would then be declared elected as Directors of the Bank by the Chair at the subsequent AGM.

6.2. Withdrawal of Membership Status

From time to time the Board becomes aware of members conducting their accounts, or dealing with the Bank, in a manner which is not in keeping with the values of the Bank or, at times, in contravention of regulatory expectations for the conduct of accounts.

It is proposed that in order the Bank adhere to regulatory expectations with regard to no "tip offs" a member may be expelled from the Bank though they retain the right of appeal to AFCA (the Australian Financial Complaints Authority).

The proposed updated Constitution may be obtained from or inspected at the Bank's registered office, 25 Pelican Street, Surry Hills NSW. Alternatively, it can be downloaded from

the Bank's website: www.policebank.com.au or you can request a copy from our Company Secretary by emailing secretary@policebank.com.au.

INSTRUCTIONS

How to appoint a proxy to vote on your behalf at the AGM

A Member who is entitled to attend the Annual General Meeting and vote is entitled to appoint a proxy. A proxy need not be a Member. A proxy form is enclosed with this notice. To be effective the appointment of a proxy must be received by the Bank at least 48 hours prior to the meeting either at its registered office at 25 Pelican St, Surry Hills NSW 2010, Reply Paid 63593 Surry Hills NSW 2010 or by emailing secretary@policebank.com.au.

By Order of the Board of Directors.



Marika White
Company Secretary
23 October 2020

CANDIDATE STATEMENTS

* Current Member Director seeking re-election

Bruce WILLIAMS

My name is Bruce Williams. I was CEO of Police Bank up until my retirement in February 2016. It was a position that I held for eighteen years. During my time as CEO I have overseen the introduction of many new Member Services, opening of branches, maintaining attractive pricing, introduction of the How to Bank for Free initiative, all whilst continuously building a strong balance sheet.



Presently I am the Chair of the mutual Industries Emergency Liquidity company. This position has ensured I have remained in touch with the changing industry landscape. I have been on the Board of this vitally important company since 2005.

During my tenure as CEO I was Chair of the Bank's Credit Committee and Asset & Liability Committee. Demonstrating my in depth skills in Credit, Balance Sheet Management and Risk Management.

I am ready to move from developing strategies, implementing these and being responsible for the day to day management of this former exceptionally strong and service orientated Member owned bank, to a role of management oversight.

Your support is needed to ensure that my experience and history of success is brought back to Police Bank for the benefit of Members. Please vote for me.

Robert REDFERN *

- Director of the Police Bank Ltd since 2013.
- Chair of the Audit Committee; member Risk Committee.
- Member NSW Police Force for 37 years and Police Bank for 39 years.
- Member Retired Police Officers Association.
- Associate member Police Association.
- Member Law Society of NSW.
- Solicitor of the Supreme Court of NSW & High Court.
- Former Commander, Workforce Safety; State Audit Branch; Local Area Commander; and Director of Legal Services for NSWPF.
- Holder of Master of Studies; Executive Masters in Public Administration; Bachelor of Laws; and Bachelor of Economics.
- Awarded Australian Police Medal.



Substantial change in national and global financial markets has created a changed banking environment. The banking environment is complex and challenging. More substantial challenges are inevitable in coming years. In this environment, with Board colleagues, I have taken the hard decisions necessary to ensure the Police Bank will prosper and serve members and the Police family well into the future. I remain committed to ensuring the strength and relevance of the Bank.

My experience and qualifications allow me to meet the important responsibilities associated with protecting the interests of members and providing services meeting the needs and aspiration of members and police families through all stages of their lives.

**Nick KALDAS, A.P.M. D.Litt.
(Honoris Causa), M.A.I.C.D.**

I served in the NSW Police for almost 35 years and for almost a decade as the Deputy Commissioner, working at every rank in an operational capacity. I believe I understand and empathise with the vision and aspirations of the membership of the bank and have always been committed to working for the benefit of my staff and treating others as I would like to be treated.



As a Deputy Commissioner, Field, I had oversight of a budget of over \$2 billion, ensuring appropriate governance and checks and balances on a daily basis. I have led many international investigations, with responsibility for financial management, answering to donor countries. I held the position of Director of Internal Oversight in UNRWA, one of the United Nations largest agencies, with a budget of over US\$2 billion, directing all governance activities in difficult environments and war zones. I have completed the Company Director's course, and I am a current member. I hold a Masters Degree in Public Policy and Administration, and an Honorary Doctorate of Letters. I wish to serve, as there is still fire in my belly.

David HUDSON*

There is no doubt this has been a difficult 12 months for the banking industry. A Royal Commission, increased APRA scrutiny and a pandemic that has necessitated changes that have affected us all.



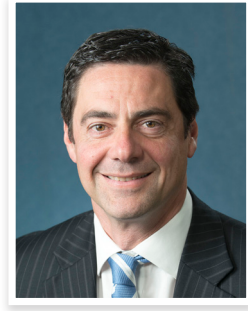
Within this environment the Board of the Police Bank has had to make some difficult decisions to ensure the long-term sustainability of the Bank. As a serving Deputy Commissioner of Police, I am committed to ensure that Police Bank maintains its focus on its core members, delivering bespoke products to members to maintain the original intent of the former Police Credit Union - affordable loans for police and the police family. My previous policing roles as a Field Operations and Specialist Commander, and my roles as the Deputy Commissioner for Corporate Services and now Investigations & Counter Terrorism, ideally places me in a position to be in touch with what members need.

I am a firm believer that decisions made by Directors need to reflect the needs of the members, bring a strong background in governance, accountability, financial acumen and drive to the Directors table, and am committed to the ongoing success and sustainability of the only bank I have ever banked with - Police Bank.

Raff DEL VECCHIO *

When I attested in 1988, I was told there were three things I had to do:

- join the Police Association,
- join Legacy, and
- join the Credit Union.



I'm delighted to say not only did I join, I have worked for PANSW advocating for serving Police for many years, I was on the Board of Legacy for seven years and I have served on the Credit Union, now Police Bank, for the past 12 years. I am also a proud R&FPA member.

In those 12 years the face of Banking changed, the economy changed, the housing market and affordability changed, but all through that period I have faithfully sought to balance the needs of the members both serving and who've served, as a Director of the Bank.

I've sought to keep the Bank strong and relevant and in the past 12 months myself and the Board needed to look to the future of the Bank and to take steps to modernise it, offer truly competitive rates and remain relevant.

We've made hard decisions that not all members like, but we have put the Bank on a long-term sustainable footing - to best serve you and your families now and into the future.



Police Bank

Border Bank and Bank of Heritage Isle are a divisions of Police Bank Ltd.
ABN 95 087 650 799. AFSL/Australian Credit Licence No 240018.
25 Pelican Street, Surry Hills, NSW 2010.