

**MINUTES OF THE
FIFTY FOURTH ANNUAL GENERAL MEETING
HELD ON THURSDAY, 23RD NOVEMBER 2017
AT THE SYDNEY MASONIC CENTRE
66 GOULBURN STREET, SYDNEY NSW 2000
COMMENCING AT 6:00 PM**

- OPENING & WELCOME:** The Chair, Mr D C Walton, opened the Meeting and welcomed Members and their guests to the 54th Annual General Meeting of Police Bank Ltd.
- ATTENDANCE:** The Attendance Register was signed by 39 Members.
- APOLOGIES:** The Chair noted that Mr Craig Townsend, CFO of the Bank, and Mrs Karen Redfern were apologies.
- The Chair confirmed to the meeting that a quorum was present in accordance under Rule 19.4 of the Constitution.
- OFFICIAL WELCOME** The Chair introduced the Board and welcomed official guests.
- Auditors
The Chair advised that Ms Claire Gilmartin and Ms Michele Jarvis were in attendance representing the firm Grant Thornton Audit Pty Ltd. He advised that Ms Gilmartin was available to take any questions regarding the Audit of the Financial Accounts to be dealt with under Agenda Item 3.
- Legal Counsel
The Chair advised that in attendance was the Bank's legal representative, Mr Matt McMillan from McCulloughs and was available to address any legal questions.
- The Chair advised Mr Rhys Williams and Ms Alissa Lawrie from William Roncolato were also in attendance.
- Acknowledgements
The Chair acknowledged Mr Lloyd Taylor, former Director of Police Bank, and many outstanding staff and members in attendance.
- Notice of Meeting
It was noted that the Notice of Meeting was sent to all Members and published on the website on 24th October 2017.
- 2. MINUTES OF MEETING HELD ON THURSDAY, 24 NOVEMBER 2016:** The Chair reported that the Minutes of the General Meeting held on Thursday, 24th November 2016 had been printed and distributed.
- The Chair asked that the Minutes be confirmed as a true and correct record of the meeting. The following motion was moved by Mr Scott Weber:
- "It was **RESOLVED THAT** the minutes for the Annual General Meeting held on Thursday, 24th November, 2016 be noted."*
- The motion was seconded by Mr Colin Dyson.

The motion was voted on by show of hands.

The motion was carried.

CHAIRMAN'S ADDRESS:

The Chair welcomed all attendees and proceeded to address the meeting by providing an overview of the performance of the Bank over the 2016/2017 financial year and highlighted the following:

- Continued strong financial performance;
- Banking industry trends;
- Regulator focus;
- Impact of the 10% investor lending cap on loan growth;
- Strategic actions taken by the Bank in terms of digital, employing greater resources, engaging strongly with the rest of the industry;
- Awards received during the year from the Industry and members;
- Increased focus on helping members through a renewed sponsorship program.

There was a question from the floor regarding any issues expected by the Board in relation to the impending Royal Commission into Banking. The Chair spoke to the likely outcomes in relation to increased regulations and associated costs for increased compliance obligations.

CHIEF EXECUTIVE OFFICER'S ADDRESS:

The Chief Executive Officer Mr Tony Taylor delivered a presentation of the achievements of Police Bank over the year and highlighted the following:

- Asset growth, largely driven by the loan growth to the Police Bank community;
- Addressing challenges to strengthen the organisation through investments in risk management;
- Significant uptake of the Pays.

Mr Taylor provided an update on the strategy for the year ahead and noted that the key themes for the coming year are:

- Strategy, with a focus on remaining relevant through growth;
- Structure;
- People, to ensure that there is a diverse team to make changes to service members;
- Membership growth, through a focus on investing in the Police Academy and new opportunities; and
- Engagement with the community.

The CEO spoke to the rationale for moving the Campbelltown branch to Narellan and spoke to the new look and feel of this location. He spoke to the change in use of the branches from transactional to advice and support.

There was a question from the floor regarding whether a branch will be established in Liverpool in the immediate future. Mr Taylor spoke to the key considerations in selection of locations for branches, noting the substantial costs associated, and noted that the Management team will investigate this location but cannot guarantee that this will be implemented, as it would need to be a good fit for the footprint of the membership.

There was a question from the floor regarding the impact of the 10% investor cap, that was answered by the CEO and Chair.

There was a question from the floor regarding whether the Bank is focussed on the future of technology and sending members of the team to Silicon Valley to learn about the new developments. Mr Taylor noted that there are no current plans to visit Silicon Valley in particular, but he spoke to the recent attendance by members of the Executive Team to relevant conferences in banking and innovation and the importance of being part of conversations about technology and digital innovation.

The CEO handed the meeting to the Chair of the Audit Committee, Mr Robert Redfern.

3. PRESENTATION OF THE FINANCIAL STATEMENTS, DIRECTORS REPORT & DIRECTORS DECLARATION FOR THE YEAR ENDED 30 JUNE 2017:

Mr Redfern advised the meeting that the Financial Statements, Directors' and Directors Declaration have been available from the offices of Police Bank Ltd from 24th October 2017.

The Annual Report for the year ended 30th June 2017 was tabled.

Mr Redfern asked if there were any questions and noted that Grant Thornton were in attendance if there were any queries for the auditors.

Mr Redfern moved the following resolution:

"That the directors' report, directors' declaration, auditor's report, statement of comprehensive income, statement of changes in members equity, statement of financial position, notes to and forming part of the accounts and statement of cash flows for the year ended 30 June 2017 be received."

The motion was seconded by Mr Colin Dyson.

The motion was voted on by show of hands.

The motion was carried.

NOMINATIONS & ELECTION OF DIRECTORS:

The Chair handed this agenda item to the Deputy Chair, Mr Colin Dyson. The Deputy Chair advised that the ballot was conducted by the Returning Officer, Mr Vic Miglioni from Election Consulting Group.

The Deputy Chair declared the results of the ballot for the election of Directors. He noted that there were four candidates for two positions. The results were:

	Votes Received	Result
Raff Del Vecchio	2,660	Elected 2
Nigel Phair	1,298	
Anthony Ferguson	1,782	
David Hudson	1,970	Elected 3
Robert Redfern	2,799	Elected 1

The Deputy Chair then made the following declarations:

*“That **Mr Robert Redfern** be appointed as a director of Police Bank Ltd for a term commencing at the end of the 2017 Annual General Meeting and concluding at the end of the 2020 annual general meeting.”*

*“That **Mr Raff Del Vecchio** be appointed as a director of Police Bank Ltd for a term commencing at the end of the 2017 Annual General Meeting and concluding at the end of the 2020 annual general meeting.”*

*“That **Mr David Hudson** be appointed as a director of Police Bank Ltd for a term commencing at the end of the 2017 Annual General Meeting and concluding at the end of the 2020 annual general meeting.”*

The Deputy Chair handed the meeting to Director Scott Weber.

REMUNERATION OF DIRECTORS:

Director *Scott Weber* gave a brief report on the proposed increase to directors’ fees. He noted that due to the current economic climate the Board proposed not seeking any increase in directors’ fees from the prior year.

There was a question from the floor regarding the process of notifying the resolution and whether the Directors should note whether they endorse the amount. Mr McMillan, the lawyer for the Bank, confirmed that there are different requirements for public listed company and this was not a requirement for Police Bank.

The motion was moved by Mr Scott Weber:

“That members approve the amount of \$720,000, as Directors’ Fees for the period 1 December 2017 to 30 November 2018. Payment to individual Directors will be at the discretion of the Board. Further that the superannuation guarantee levy contributions are inclusive within the pool amount.”

Seconded: Mr Colin Dyson

The motion was voted on by show of hands.

The motion was carried.

SPECIAL RESOLUTION – CONSTITUTIONAL AMENDMENTS:

The Chair spoke to Agenda Item 6, which was a special resolution to amend the Constitution. The Chair spoke to the changes and explained the rationale for the change.

It was noted that as this was a Special Resolution, that it was being voted on by a poll, using the coloured voting cards provided as the sign in desk. The Chair noted that a Special Resolution requires 75% in favour of those voting on this motion.

There was a question from floor regarding whether persons who become a member of the Bank as a result of a merger are part of the 20% noted in the Schedule 1. Mrs Miller confirmed that this was not the case, that they would be considered as Board Approved members and therefore not included in the 20%.

It was noted that the Chair held the following proxies:

1	For the motion	53
2	Against the motion	9
3	Abstain from the motion	0
4	Open proxies	75
5	Invalid	11

Mr Walton noted that he planned to use the open proxies to vote in favour of the motion.

The motion was Moved by Ms Clare Mazzetti:

“That the Constitution of the company 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.”

This motion was seconded by Mr Peter Remfrey

The Chair called for a poll of members present eligible to vote. The Company Secretary counted the poll and calculated the votes. The results were noted to the Chair.

The Chair announced the results of the Constitutional change and confirmed that the poll had greater than 75% members voting in favour of the motion.

The motion was therefore carried.

GENERAL BUSINESS:

The Chair informed the meeting that there are no items of General Business and no motions have been received.

The Chairman addressed the meeting advising of Mr Geoff Green’s retirement, and congratulated him on his long period of service to Police Bank. The Chairman then invited Director Green to respond. Director Green spoke to his career as Director of Police Bank.

The Chair opened the floor for Member’s questions.

CHAIR CLOSING:

The Chair expressed his sincere appreciation to his fellow Directors, the CEO, the Executive team, Management and Staff of the Bank for their contribution to another successful year.

MEETING CLOSED:

There being no further business the Chair declared the meeting closed at 6.15pm and thanked Members for their attendance and invited them to share a coffee with the Board.

CHAIR

SECRETARY