

**POLICE BANK LIMITD
MINUTES OF THE
FIFTY SIXTH ANNUAL GENERAL MEETING
HELD ON THURSDAY, 28th NOVEMBER 2019
AT THE SYDNEY MASONIC CENTRE
LEVEL 4, 66 GOULBURN STREET, SYDNEY NSW 2000
COMMENCING AT 6:00 PM**

- OPENING & WELCOME:** The Chair, Mr G McKenna, opened the Meeting and welcomed Members and their guests to the 56th Annual General Meeting of Police Bank Ltd.
- ATTENDANCE:** The Attendance Register was signed by 36 Members.
- APOLOGIES:** The Chair noted that Ms Claire Scott, Mr David Walton and Mr Paul Biscoe 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 Tari Makanda was in attendance representing the firm Grant Thornton Audit Pty Ltd. The Chair advised that Ms Makanda was available to take any questions regarding the Audit of the Financial Accounts to be dealt with under Agenda Item 3.
- The Chair advised the proposed incoming Auditors Mr Mark Lumsden and Mr Tom Mason from Deloitte Touche Tohmatsu (**Deloitte**) were in attendance.
- The Chair advised Mr Rhys Williams and Ms Alissa Lawrie from William Roncolato were also in attendance.
- Acknowledgements
The Chair acknowledged Messrs Lloyd Taylor and Geoff Green, former Directors 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 21st October 2019.
- 2. MINUTES OF MEETING HELD ON THURSDAY, 29 NOVEMBER 2018:** The Chair reported that the Minutes of the General Meeting held on Thursday, 29th November 2018 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 Raff Del Vecchio:
- "It was **RESOLVED THAT** the minutes for the Annual General Meeting held on Thursday, 29th November, 2018 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 and outlook of the Bank over the 2018/2019 financial year and into the future highlighted the following:

- The Bank retains a strong commitment to helping members and their families reach their financial goals;
- The operating environment was difficult at present with low rates, increased uncertainty, higher expenses, greater competition and decreased earnings. The result was a fall in profitability at present;
- That banking is changing with the intimacy of personalisation that technology, smart phones and soon Open Banking will change the Bank's future. That staff interactions with members would change, sitting in members' home working with them rather than in a branch waiting for members to come in;
- That this change in banking in Australia would require substantial investment from Police Bank as well as impacting how the Bank interacts and connect with members.

CHIEF EXECUTIVE OFFICER'S ADDRESS:

The Acting Chief Executive Officer Mr Andrew Rasby 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 Rasby 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 Board Chair then asked the Chair of the Audit Committee, Mr Robert Redfern to address the meeting.

3. PRESENTATION OF THE FINANCIAL STATEMENTS, DIRECTORS REPORT & DIRECTORS DECLARATION FOR THE YEAR ENDED 30 JUNE 2019:

Mr Redfern advised the meeting that the Financial Statements, Directors' and Directors Declaration have been available from the offices of Police Bank Ltd from 21st October 2019.

He further advised that it had been brought to the attention of the Board that there was an immaterial error on Page 66 of the Annual Report which referred to the Bank's membership of CUFSS which had ceased in prior years. As the Bank is no longer a member of CUFSS, members were asked to disregard the fifth indentation under 'Liquidity Risk', which states:

“The Bank has a longstanding arrangement with the industry liquidity support company Credit Union Financial Support Services (CUFSS) which can access industry funds to provide support to the Bank should it be necessary at short notice.”

Mr Redfern then tabled the Annual Report for the year ended 30th June 2019 and asked if there were any questions noting the Bank’s auditors 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 2019 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 then noted that as the Notice of Meeting explained, the ballot process was discontinued this year, as there were two vacancies and two candidates. The Constitution required that the Members vote on the appointment of each candidate by separate resolution.

The first candidate to be considered was Mr Peter Remfrey. It was noted that the Chair held the following proxies:

1	For the motion	156
2	Against the motion	4
3	Abstain from the motion	5
4	Open proxies <i>(I inform the meeting that the open proxies held by the Chairman will be voted for the motion)</i>	84
5	Invalid	55

Director Hudson then made the following declaration:

“That Peter Remfrey, a Director retiring in accordance with clause 22.10.1 of the Police Bank Constitution and being eligible, is re-elected as a Director of the Company.”

Moved: Mr David Hudson

Seconded: Mr Robert Redfern

The second candidate to be considered was Mr Michael Fuller.

It was noted that the Chair held the following proxies:

1	For the motion	144
2	Against the motion	12

3	Abstain from the motion	7
4	Open proxies <i>(I inform the meeting that the open proxies held by the Chairman will be voted for the motion)</i>	84
5	Invalid	55

Director Dyson then made the following declaration:

“That Michael Fuller, a Director appointed to fill a casual vacancy in accordance with clause 22.2.2 of the Constitution seeking confirmation of his appointment, and being eligible, is re-elected as a Director of the Company.”

Moved: Mr Colin Dyson

Seconded: Mr Robert Redfern

The Chair then introduced Item 5 on the Agenda, Directors remuneration for the period 1st December 2019 to 30th November 2020.

REMUNERATION OF DIRECTORS:

Director Del Vecchio gave a brief report on directors’ fees. He noted that the Board was seeking remuneration pool of \$736,000.00, which is the same amount as approved by Members at the 2018 AGM.

The motion was moved by Mr Raff Del Vecchio:

“That members approve the amount of \$736,000, as Directors’ Fees for the period 1st December 2019 to 30th November 2020.”

Seconded: Mr David Hudson

The motion was voted on by show of hands.

The motion was carried.

APPOINTMENT OF AUDITORS:

The Chair introduced Agenda Item 6, relating to the change of Police Bank auditor and invited Director Redfern, also the Bank’s Chair of the Board Audit Committee, to speak to the item and motion.

Director Redfern gave the meeting a brief overview noting:

- Grant Thornton had served Police Bank as auditor since 2008, and Director Redfern thanked them for their service;
- That a tender process had been undertaken for the appointment of Auditors from the 2020 Financial Year;
- That Deloitte had been the successful tenderer;
- As a result, Grant Thornton had resigned as the Bank’s auditors effective from the 2019 AGM and ASIC had consented to that resignation; and
- Consequently, Deloitte Touche Tohmatsu (Deloitte) were nominated to fill the vacancy.

It was noted the Chair holds the following proxies and Director Redfern moved the following motion for the appointment of Deloitte:

1	For the motion	151
2	Against the motion	4
3	Abstain from the motion	3
4	Open proxies <i>(I inform the meeting that the open proxies held by the Chairman will be voted <u>for</u> the motion)</i>	84
5	Invalid	55

“That pursuant to section 327B of the Corporations Act and for all other purposes, Deloitte Touche Tohmatsu (Deloitte), having been nominated by a Member and having given its consent in writing to act as auditor, be appointed as the auditor of the Company to hold office from the conclusion of this Annual General Meeting until it resigns or is removed from office; and that pursuant to section 331 and other applicable provisions of the Corporations Act, Deloitte be paid remuneration as may be mutually agreed between the auditors and the Board of Directors of the Company.”

Seconded: Mr Colin Dyson

GENERAL BUSINESS:

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

The Chair opened the floor for Member’s questions.

Mr Lloyd Taylor sought clarification on the operations of the business in light of the deterioration in the operating performance and the outlook for the future of the Bank. The Chair reiterated that the Bank needed to respond to the changes in the overall banking and economic landscape but reiterated the operations remained on a solid foundation.

CHAIR CLOSING:

The Chair expressed his sincere appreciation to his fellow Directors, the Acting 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 6.45 pm and thanked Members for their attendance.

CHAIR

SECRETARY