



2016

POLICE BANK

Annual General Meeting & Director Elections

A MESSAGE FROM OUR CEO

Dear Member,

It is my pleasure to invite you to the Annual General Meeting (AGM) of Police Bank Ltd on Thursday, 24 November 2016, held at the Sydney Masonic Centre, 66 Goulburn St, Sydney NSW 2000.

Our Board Chair, Mr David Walton, and I will provide Members with an overview of your Bank's performance for the financial year ending 30 June 2016, and will update you on our strategy for the year ahead.



I encourage you to vote in our Director election this year, and attend our AGM or lodge a proxy. It is the easiest way for Members to participate in the management of your Bank - instructions on voting can be found on the ballot paper enclosed in this pack.

An electronic copy of the Annual Report can be viewed on our website www.policebank.com.au (www.customsbank.com.au for Customs Bank Members). Contact our Assistance Centre on 131 728 if you would like a copy to be mailed to you.

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

A handwritten signature in black ink that reads "Anthony Taylor". The signature is written in a cursive, flowing style.

Anthony Taylor
CEO
25 October 2016

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 Tuscan Room, Sydney Masonic Centre, 66 Goulburn Street, Sydney on Thursday 24th November 2016 commencing at 6:00pm.

AGENDA

Ordinary Business

- 1. Apologies**
- 2. Minutes**
To confirm the minutes of the 2015 AGM held on 26th November 2015 by a show of hands.
- 3. Financial statements and reports**
To confirm the Annual Report by a show of hands.
- 4. Director Elections**
To receive the announcement of results of the 2016 ballot for Director elections.
- 5. Directors' remuneration for 1 December 2016 to 30 November 2017.**
To consider, and if thought fit, pass the following as an ordinary resolution by a show of hands:
That members approve the amount of \$655,000, as Directors' Fees for the period 1 December 2016 to 30 November 2017. 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.
- 6. General Business**

EXPLANATORY NOTES

- 1. Minutes**
The Minutes from the previous year's AGM will be made available at the AGM or can be viewed on our website in our Annual Report and AGM section, or you can request a copy from our Company Secretary by emailing secretary@policebank.com.au
- 2. 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 2016 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 made available at the AGM or can be viewed on our website in our Annual Report and AGM section, or you can request a copy from our Company Secretary by emailing secretary@policebank.com.au

3. Director elections

The results of the 2016 Directors Election, 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 two Director positions to be filled and four 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 2019.

David Walton is an existing Director of the Bank. In accordance with the Bank's Constitution, the term of office for this Director ends at the conclusion of the 2016 Annual General meeting. Mr Walton seeks re-election to the Board, and has been nominated by five Members for election as Director, been interviewed by the Nominations Committee and passed the tests for fitness and propriety under the Board's Fit and Proper Policy.

Malcolm Kentwell, Nigel Phair and Peter Remfrey 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 following statements has been reproduced as received from the candidates:

CANDIDATE STATEMENTS

* Current Member Director seeking re-election



Malcolm KENTWELL

As a current serving police Sergeant, with 28 years of uniformed duties, 22 of which have been based in country stations, I can represent the vast majority of the Bank's membership.

I've been a member of Police Bank since 1988, and for over 15 years have been a Police Bank advocate and EDO representative, promoting Police Bank to our officers.

My role as an EDO allows me to regularly work with our Police Bank Business Development Officers, actively encouraging our police family to become members of the Bank. I'm acutely aware of the struggles young police have in obtaining their first home loan and the financial challenges of parents with school aged children. My own experiences have given me personal insight into the banking needs of our metropolitan and country based members.

I have always sought to provide strong, capable leadership in my operational roles, including OSG, Festival Planning, Protocol, and the field of police education. For many years, I've been a local branch official of the Police Association of NSW. I remain closely associated with NSW Police Legacy as a volunteer and ambassador for our important police family charity.

I seek your support, so that I can support you.



Nigel PHAIR - MGovComLaw, MArts (Public Policy), BAdminLead, GAICD

I have been an active Police Bank member for over 25 years, utilising the financial products and enjoying many of the community services provided by the organisation. I now seek to give back to the Bank and work hard to make it the strongest possible organisation for the benefit of its members.

In a 21 year career in the Australian Federal Police I attained the rank of Detective Superintendent and when combined with my current senior academic appointment and company director experience provide me with the skills and experience to oversee the strategy, risk and governance of Police Bank.

Specifically:

- I am a graduate of the Australian Institute of Company Directors - Company Director Course and Mastering the Boardroom Course.
- I have over 10 years company director experience, being a director on a number of not-for-profit and government boards.
- I am an Adjunct Professor at the University of Canberra and conduct research and analysis and provide advice on the use of technology by organisations, specifically those in the financial services industry.

I respectfully seek your vote.



David Charles WALTON*

I respectfully seek Member's support for my re-election and submit my following experience and knowledge of corporate governance, banking and our membership for consideration:

- Current Director and Chairman of Police Bank. 14 years' experience;
- Corporate Governance Program, Harvard University;
- Fellow, Australian Institute of Company Directors;
- Master of Management and Leadership;
- Bachelor of Business;
- Auditor, Retired Police Association;
- Auditor, NSW Police RSL Sub-Branch;
- Former Detective Inspector of Police;
- Former Fraud Squad Detective, specialising in bank fraud investigations;
- Former casual Academic, Charles Sturt University and University of Western Sydney;
- Former Executive Audit Manager, EnergyAustralia. Risk, internal audit, compliance;
- Board positions in other charities and not-for-profits;
- Joint Chair, NSW Mutual Chairman's Forum.

Police Bank has grown into a multi-award winning bank of \$2 billion in assets under management. Awarded the most trusted and most recommended Australian bank in recent years. Police Bank has the highest credit rating amongst the Australian mutual bank and credit union industry (Standard & Poors).

I'm committed to Police Bank being the most trusted and secure bank for serving, retired and former members of the NSW Police Force; AFP; Border Force/Customs; and their families and friends.

Please support my re-election to continue the good governance of your Police Bank.



Peter REMFREY

I am standing for the Police Bank Board to represent the police and customs family having worked for the Police Association for 34 years, the past 15 as Secretary. The vacancy on the Board provides the opportunity for renewal and assist members to achieve financial security utilising my experience in corporate governance, leadership and track record of achievement.

Qualifications

- Economics Degree (Sydney University)
- Trade Union Program (Harvard University)
- Accredited Mediator

Achievements & Experience

- Since 1994 I have led all major negotiations with the Government and the Police Force to enhance the industrial and legal rights of police delivering above inflation pay rises and improvements in conditions of employment.
- Provide strategic leadership to multidisciplinary teams of industrial officers and organisers.
- Manage the Association's Legal, Administrative and Finance functions and statutory compliance.
- Impeccable reputation with the State and Commonwealth regulator's for financial performance and reporting obligations.
- Oversighted improvements to the Association's net assets from \$20.4m in 2013 to \$27.6m at the end of 2015.

My focus, if elected, will on enhancing accessible competitively priced member services via both traditional and multiple digital channels. Members can have confidence that I have the experience to ensure their funds are safe, secure and protected.

4. Directors' remuneration

Please note that the Board is not seeking an increase to Directors fees this year, the amount requested at agenda item 5 was approved at the 2015 AGM. 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 on our website in our Annual Report and AGM section, 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 Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. 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.



Jennifer Jurss
Company Secretary
25 October 2016

POLICE BANK LTD - PROXY FORM

Annual General Meeting Thursday, 24 November 2016

If you wish to appoint a proxy, please complete this form. Proxy forms should be sent to the Secretary at 25 Pelican Street, Surry Hills NSW 2010, Reply Paid 63593, fax to (02) 9287 0809 or email to secretary@policebank.com.au and be received by 6:00 pm on 22 November 2016.

Step 1 - Your Details (please PRINT)

Surname _____ Given Name(s) _____
Member Number _____
Your Postal Address _____
Postcode _____

Step 2 - Proxy Details

Please indicate your preference for A or B by marking the appropriate box (as shown here) for the 2016 Annual General Meeting of Police Bank Ltd and any adjournment of that meeting:

(A) I appoint the Chairman of the meeting (including any adjournment of the meeting) as my proxy. Please indicate your preference for one of the options below by marking the appropriate box (as shown here):

I authorise the Chairman of the meeting to vote at their discretion; or

I direct the Chairman to vote in the following manner (set out clearly your instructions as to each agenda item):

5. Directors' remuneration For Against Abstain

The full name of my Proxy is _____

OR

(B) I appoint the person I have named below as my Proxy. Please indicate your preference for one of the options below by marking the appropriate box (as shown here):

I authorise my Proxy to vote at their discretion; or

I direct my Proxy to vote in the following manner (set out clearly your instructions as to each agenda item):

5. Directors' remuneration For Against Abstain

The full name of my Proxy is _____

Step 3 - Your Signature

Member's Signature _____ Date _____

