

**MINUTES OF THE
FIFTY THIRD ANNUAL GENERAL MEETING
HELD ON THURSDAY, 24TH NOVEMBER 2016
AT THE SYDNEY MASONIC CENTRE
66 GOULBURN STREET, SYDNEY NSW 2000
COMMENCING AT 6:00 PM**

OPENING & WELCOME: The Chairman, Mr D C Walton, opened the Meeting and welcomed Members and their guests to the 53rd Annual General Meeting of Police Bank Ltd.

ATTENDANCE: Quorum.

APOLOGIES: Mr Tony Lauer, Mrs Joy Lauer, Mr Ken Moroney and Mrs Karen Redfern.

The Chairman confirmed to the meeting that a quorum is present in accordance under Rule 19.4 of the Constitution.

OFFICIAL WELCOME The Chairman introduced the Board and welcomed official guests.

Auditors

Mr Grant Layland and Ms Nicole Bradley, the Engagement Partner for our External Audit, is here representing the firm Grant Thornton Audit Pty Ltd and also in attendance is Ms Claire Gilmartin, the External Audit Manager. Mr Layland is available to take any questions regarding the Audit of the Financial Accounts to be dealt with under Agenda Item 3.

Legal Counsel

Also in attendance, is our legal representative, Ben Mortimer from Henry Davis York.

Acknowledgements

I would like to acknowledge Mr Biscoe RPA, Mr Peter Remfrey PANSW Secretary and soon to become a Director of Police Bank. Mr Paul Roncolato and Mr Rhys Williams from Williams Roncolato. Angus McDonald, past President of the Police Sub-branch.

Notice of Meeting

The Notice of Meeting was sent to all Members and published on our website on 21 October. A copy of this Notice has been provided to you.

**MINUTES OF MEETING HELD ON
THURSDAY, 27 NOVEMBER 2014:**

The Chairman reported that the Minutes of the General Meeting held on Thursday, 26 November 2015 had been printed and distributed.

The Chairman asked that the Minutes be confirmed as a true and correct record of the meeting:

Moved: Mr Del Vecchio

*"It was **RESOLVED THAT** the minutes for the Annual General Meeting held on Thursday, 26th November, 2015 be noted."*

Seconded: Mr Weber

Carried

CHAIRMAN'S ADDRESS:

The Chairman welcomed all attendees and proceeded to address the meeting by providing an overview of the performance of the Bank over the 2015/2016 financial year.

The Chairman informed the meeting that 2015-16 year has been another financially successful year, and that Police Bank has again outperformed our peers in the mutual sector, with most of the important financial ratios. In particular, our loan growth has for the first time in a number of years, increased at a higher rate than all of the financial system in Australia, including the big four banks.

The Chairman advised this means that Police Bank is becoming more relevant to our younger members who are buying their first homes. Buying new cars, or taking out loans to fund their life's needs. Police Bank has always been very competitive with our term deposit rates and thus very relevant to our more senior members who have shown great loyalty to Police Bank for many years.

The Chairman also announced that Police Bank has again won several banking industry awards for customer satisfaction and for our products and services that we offer our members. The culture of Police Bank is to only provide products and services that are in the interests of our members.

The Chairman informed the meeting that the Board of Police Bank has made some significant change to the structure and to the executive of Police Bank in the past year. Police Bank has been a very successful credit union and now bank for 52 years. But the environment for banks and credit unions is continuing to change and that change is accelerating due to technical disruption, increasing competition and societal changes.

As we have seen with the taxi industry in Australia with the introduction of Uber and technology. As we have seen with the accommodation industry with the introduction of AirBnB and technology. The status quo is now not good enough. New technologies are now, and will continue to change the way the Y generation and the Millennials, in particular, interact with their bank. Research of these demographics show that they are demanding banking services that are trusted, instantaneous and suited to their individual wants and needs.

It was in this environment that your Board considered what Police Bank has to do to continue its impressive growth and to continue to be an award winning Australian bank for another 52 years. The Board took the decision to appoint a new CEO from a larger and more sophisticated bank, to take us into the future and to increase our growth, relevance and the trust of our members, and noted that we are already seeing dividends as a result of these changes. The Chairman said our loan growth is now above the whole

of the Australian system growth and our personal loan growth is at over 20%, after previous negative growth in personal loans.

Police Bank has recently introduced the new technology ApplePay, for our members. This is even before the Commonwealth, Westpac and NAB. A great achievement. We have improved our credit policy and procedures to allow faster approval and processing of loans and a greater focus on the needs of police and all members.

A question was raised from the floor in relation to Term Deposits. We have been focusing on increasing the maturity of our Term Deposit book, 3 months to longer. This has cost Police Bank \$1m, from 3 month to 7 month. We can't be the best in every book but we try to be competitive.

The Chairman stated we are changing, and changing for the better. What will never change however, is the Police Bank's focus on being the most secure and trusted bank for our members. The Board and staff of Police Bank and totally committed to this.

The Chairman then handed the meeting over to the new CEO of Police Bank, Tony Taylor. Tony commenced as the new CEO of Police Bank in February this year, after a very competitive recruitment process.

Tony has a very impressive banking background and has come to Police Bank after a successful career as the Chief Financial Officer of CUA, Australia's largest mutual. Tony also previously held executive positions with Bankwest and other banks both in Australia and overseas. Tony is married with two adult children and has had two relatives in the NSW Police Force. Sadly Tony is a fanatical South Sydney Rabbitohs fan.

**CHIEF EXECUTIVE OFFICER'S
ADDRESS:**

The Chief Executive Officer Mr Tony Taylor delivered a PowerPoint presentation.

**PRESENTATION OF THE FINANCIAL
STATEMENTS, DIRECTORS REPORT &
DIRECTORS DECLARATION FOR THE
YEAR ENDED 30 JUNE 2016:**

The Chairman advised the meeting that the Financial Statements, Directors' and Directors Declaration have been available from the offices of Police Bank Ltd from 21 October 2016.

The Chairman presented the Annual Report for the year ended 30 June 2016 to the meeting.

Mr Redfern asked if there were any questions.

Moved: Mr Redfern

"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 2016 be

received.”

Seconded: Mr Green

Carried

NOMINATIONS & ELECTION OF DIRECTORS:

The Chairman handed this agenda item over the Deputy Chairman, Mr Colin Dyson.

The Deputy Chairman declared the results of the ballot for the election of Directors.

	Votes Received	Result
Malcolm Kentwell	1336	Not elected
Nigel Phair	939	Not elected
David Walton	2786	ELECTED
Peter Remfrey	1935	ELECTED

There were four candidates for two positions. The results were:

The ballot was conducted by the Returning Officer, Mr Vic Miglioni from Election Consulting Group.

A question was raised asking how many ballots were sent out. Noted dismay that more members did not participate. Another member noted that they were satisfied with the Board. That there were good quality members who stand for appointment.

The Deputy Chairman then made the following declarations:

*“That **Mr David Walton** be appointed as a director of Police Bank Ltd for a term commencing at the end of the 2016 Annual General Meeting and concluding at the end of the 2019 annual general meeting.”*

*“That **Mr Peter Remfrey** be appointed as a director of Police Bank Ltd for a term commencing at the end of the 2016 Annual General Meeting and concluding at the end of the 2019 annual general meeting.”*

REMUNERATION OF DIRECTORS:

The Chairman confirmed the following proxies were held:

Resolution	Chair's Discretion	
	For	Against
1. Apologies		
2. Confirmation of Minutes held 26 th November 2015		
3. Financial Statements and Auditors Reports		
4. Declaration of appointment of Directors		
5. Determination and setting of Directors Remuneration	77	20
Invalid = 3		

Proxies Directed to Staff and Directors to vote at their discretion:

Anthony Taylor = 2

The Chair indicated that he would use his discretionary votes to vote in favour of the motion.

Director Greg McKenna to give the meeting a brief report on the proposed increase to directors' fees.

Mr McKenna noted the economy going through a difficult transition. The Board determined that the Board should not seek any increase in directors' fees, and stay within Mercer's 2014 recommendations.

Moved: Mr McKenna

"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."

Seconded: Mr Dyson

Carried

GENERAL BUSINESS:

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

It was noted a key milestone was the appointment of Mr Tony Taylor as Chief Executive Officer of Police Bank.

The Chairman addressed the meeting advising of Mr Lloyd Taylor's retirement, and expressed disappointment to see the retirement of Mr Taylor.

Director Mr Geoff Green addressed the meeting speaking of Director Taylor's services.

The Chairman then invited Director Taylor to respond.

The Chairman answered Member's questions.

CHAIRMANS CLOSING:

The Chairman 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 Chairman declared the meeting closed at 6.48pm and thanked Members for their attendance and invited them to share a coffee with the Board.

CHAIRMAN

SECRETARY