

**MINUTES OF THE FORTY SEVENTH ANNUAL GENERAL MEETING OF
THE TEACHERS MUTUAL BANK LIMITED
HELD AT CANTERBURY HURLSTONE PARK RSL CLUB,
20-26 CANTERBURY ROAD, HURLSTONE PARK
ON SATURDAY, 23RD NOVEMBER 2013**

ATTENDANCE:

There were 267 Members and 21 visitors present. John Kouimanos occupied the Chair.

OPENING:

The Chair called the Meeting to order at 10.04am and Director Maree O'Halloran acknowledged the Cadigal Wangal people of the Darug Nation, the traditional custodians of the land on which the Meeting was taking place. Respect was paid to the Elders, both past and present, of the Darug Nation and was extended to other Aboriginals present.

Director Linda Green was invited to read the Prayer of St Francis.

1. WELCOME:

Members and guests were welcomed and the following special guests recognised:

Rob Surman	Partner of Langes, the Mutual Bank's Solicitors
Neville Sinclair	Grant Thornton Audit Pty Ltd, the Mutual Bank's Auditors
Brian Carlin	Former Directors
Tony FitzGerald	
John Prescott	Former General Manager

The Chair acknowledged the contribution of ex-Director Tony FitzGerald for the last three years. Mr FitzGerald was instrumental in assisting the development of TMB's enterprise risk management practices.

APOLOGIES:

Apologies had been received from the following Members:

A Affleck, R Brown, M Collopy, J Cowley, J Dixon, S Gillies, G Green, K Jacob, S Jacob, J McCauley, R McCauley, C McMahon, K Miller, H O'Reilly, A Thomson, C Thomson.

IT WAS RESOLVED THAT THE APOLOGIES BE ACCEPTED.

ORDER OF BUSINESS:

It was moved and seconded that the Agenda for the Meeting be adopted with the right of the Chair to make such changes as deemed necessary.

THE MOTION WAS CARRIED.

STANDING ORDERS:

The Chair advised that the Meeting would be conducted in accordance with the Standing Orders, set out in Appendix 4 of the Mutual Bank's Constitution, and in accordance with the requirements of the Corporations Act.

PROXY VOTES:

The Chair informed the Meeting that the Secretary would advise the number of votes lodged by proxy prior to a poll being conducted in respect of that motion.

USE OF MICROPHONES:

The Chair asked that Members who wished to speak on any matter await the arrival of a roving microphone.

2. CONFIRMATION OF THE MINUTES:

Minutes of the 46th Annual General Meeting held on 24th November 2012:

It was moved and seconded that the Minutes of the 46th Annual General Meeting held on Saturday 24th November 2012, previously circulated, be received into the Meeting and be confirmed.

THE MOTION WAS CARRIED.

3. BUSINESS ARISING FROM THE MINUTES:

The Chief Executive advised there were seven items in Business Arising from the Minutes of that Meeting:

▪ Business Papers for the AGM –

The possibility for business papers to be sent a week prior to the AGM.

This year we contacted those who had RSVP'd and were on email. Next year we will extend to all members.

▪ rediATMs –

Screens on rediATMs are difficult to read – can we approach the manufacturer to change the colour configuration of the machines.

Our Chief Operations Officer, a member of the rediATM Advisory Committee, discussed this issue with the Committee. Unfortunately at this time the colour configuration of machines is the same but we will continue to monitor this situation.

- Support to children of refugees –
Is there a possibility to consider an initiative to support the children of refugees to improve their English and education overall.
TMB supported a Myanmar initiative where it assisted school children, school teachers, local Myanmar credit unions and their members. This was in conjunction with Queensland and Victoria Mutual Banks. If a similar initiative is found in Australia TMB will investigate it.

- Teachers Mutual Bank Name –
A member commented on the missing apostrophe in the name *Teachers Mutual Bank* and asked that it be reinstated.
The ‘missing’ apostrophe occurred when our name was changed from New South Wales Teachers’ Credit Union Limited to N.S.W. Teachers Credit Union Ltd on 4th July 1977; since that time our name has not included an apostrophe. Teachers Mutual Bank Limited is our registered name and TMB our trading name. It would be far too expensive to add any changes.

- Questions to the AGM –
Are members able to submit their questions prior to the AGM so that the Board can consider its response.
We would welcome members to submit their questions prior to the AGM, however questions are often raised from the floor regarding items discussed at the AGM, so there will always be a place for both at our Meeting.

4. REPORTS:

It was moved and seconded that the Reports of the Directors and Auditors, together with the Financial Statements of the Mutual Bank for the year ended 30th June 2013 be received into the Meeting.

THE MOTION WAS CARRIED.

4a. DIRECTORS' REPORT:

Mr Kouimanos introduced the serving Directors to the Meeting.

Prior to presenting his report for 2012/13, Mr Kouimanos passed the Chair to Deputy Chair, Linda Green and gave a verbal and PowerPoint presentation on the operations and activities of the Mutual Bank for the year under review and reported on the following:

- The strong growth in membership.
- Development of business process improvement to provide a better experience for members.
- Development of business initiatives to develop technology to better understand our members.
- The changing environment and the effect low interest rates will have on our profit.

In closing, Mr Kouimanos thanked –

- The Board of Directors for its knowledge and experience.
- The Staff.
- The Members Committee for its support of the Mutual Bank.
- The members for their support, loyalty and trust.

Thanks were also extended to our business partners for the support given and cooperation:

- Allianz
- Zurich
- Bridges
- Teachers Car Buying
- Department of Education & Communities
- The teacher unions
- NSW Teachers Federation and Teachers Health.

Following the presentation, Mrs Green sought questions and comments on the Directors' Report.

There being no questions and comments, Mrs Green moved that the Directors' Report be adopted. The motion was seconded from the floor and the motion was put to the meeting.

THE MOTION WAS CARRIED.

Mr Kouimanos then resumed the Chair.

MEMBERS COMMITTEE INTRODUCTION:

The Chairperson acknowledged the Members Committee and the role it plays. He introduced members of the Committee present at the Meeting and thanked them for their interest and contribution over the past year.

Mr Kouimanos advised Committee member, Rod Brown, had decided not to re-stand for election and acknowledged his contribution and 15 years' service to the Mutual Bank.

4b. & c. STATEMENT OF ACCOUNTS AND AUDITORS' REPORT:

The Chief Financial Officer presented a report on the financial statements of the Mutual Bank for the year ended 30th June 2013.

In moving adoption of the Statement of Accounts and Auditors' Report for the year ended 30th June 2013, Director McEvedy, Deputy Chair of the Mutual Bank's Audit Risk & Compliance Committee, expressed on behalf of that Committee, the Board and Membership their collective thanks to all involved in the preparation, review and audit of the financial statements over the past twelve months. He then formally moved:

That the Statement of Accounts and Auditors' Report for the year ended 30th June 2013 be adopted.

The motion was seconded from the floor and on being put to the Meeting:

THE MOTION WAS CARRIED.

5. ELECTIONS:

The Meeting was advised that Mr Richard Hannan of Computershare Investor Services Pty Limited had been appointed as Returning Officer to conduct ballots for the election of the Board of Directors and members of the Members Committee.

The Returning Officer then presented his Report to the Meeting which read as follows:

-

Election of Directors

"In accordance with Appendix 5 in connection with the postal ballot of members for the election of two (2) directors, I hereby certify the following:-

- | | | |
|-----|---|-------|
| (a) | Number of ballot papers lodged | 9,968 |
| (b) | Number of formal votes | 9,872 |
| (c) | Number of informal votes | 89 |
| (d) | Number of formal votes cast for each candidate is as follows: | |
| | Graeme Lockwood | 8,082 |
| | Peter Phelps | 3,046 |
| | John Kouimanos | 8,245 |
| (e) | The names of the two (2) candidates elected are:- | |
| | John Kouimanos | |
| | Graeme Lockwood" | |

Election of Members Committee

"In accordance with Appendix 5 in connection with the postal ballot of members for the election of four (4) Members Committee Members , I hereby certify the following:

- | | | |
|-----|--|-------|
| (a) | Number of ballot papers lodged | 9,968 |
| (b) | Number of formal votes | 9,921 |
| (c) | Number of informal votes | 40 |
| (d) | Number of formal votes for each candidate is as follows: | |
| | Judy MacGraw | 6,703 |
| | Ian Parnaby | 4,825 |
| | Peter Phelps | 5,300 |
| | Graeme Green | 7,929 |
| | Bernie Williams | 6,292 |
| | Les Kent | 7,012 |

(e) The names of the four (4) candidates elected are:-

Graeme Green
Les Kent
Judy MacGraw
Bernie Williams”

It was moved and seconded that the Returning Officer’s Report be adopted.

THE MOTION WAS CARRIED.

The Chair congratulated the successful candidates on their election to their respective offices and thanked the unsuccessful candidates for their interest in nominating for a position on the Board of Directors or Members Committee.

6. REMUNERATION OF DIRECTORS:

The Chair advised the Meeting of an irregularity in the Meeting Notice whereby it stated Agenda Item 6 was a special resolution when, in fact, it was an ordinary resolution.

It was moved and seconded:

"That pursuant to Division 13.1(1) of the Mutual Bank’s Constitution, the Directors be paid the following remuneration during the period from this AGM to the next AGM:-

- (a) For elected Directors collectively – a maximum total sum of \$440,000 per annum, by way of fees, concessions and other benefits. This sum shall include any relevant taxes payable either by the Mutual Bank or by individual Directors.
- (b) For any appointed Director – a maximum total sum of \$63,000 per annum by way of fees, concessions and other benefits. The sum includes any relevant taxes payable either by the Mutual Bank or by an individual appointed Director.
- (c) In addition to the above, all Directors will be paid or reimbursed for:
 - (i) the sum equivalent to any actual salary lost as a result of taking leave from employment for Mutual Bank purposes;
 - (ii) any use of a private motor vehicle for Mutual Bank purposes, such reimbursement to be at authorised tax rates; and
 - (iii) superannuation contributions at the prescribed Superannuation Guarantee Contribution rate to an approved superannuation fund provided that if superannuation contributions are not required to be paid to an approved superannuation fund in respect of any individual Director, the equivalent amount shall be paid to the Director instead.
- (d) In addition to all of the above entitlements as a Director, if the Chairperson of the Audit Risk and Compliance Committee is an appointed director, they shall be entitled to receive an additional \$6,300 per annum."

With no questions from the floor, the Chair advised he would now put the Motion before the Meeting for a formal vote, and would ask the Returning Officer to conduct a poll on this matter.

Prior to the conduct of the poll, the Chief Executive was requested to advise the number and composition of valid proxy votes received in respect of this Motion.

The Chief Executive advised the meeting that as allowed under Section 250BD(2) of the Corporations Act, the proxy appointment form circulated to members for the purposes of the meeting, authorised the Chair to vote discretionary (undirected) proxies on the remuneration resolution. The Chair advised he would be voting those undirected proxies in favour of the resolution. He would also be voting all directed proxies as well as voting in his personal capacity as a member.

It was reported that 4,936 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	2,496
Discretionary votes to the Chair	<u>1,188</u>
(the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	3,684
Against the Motion	<u>1,076</u>
	<u>4,760</u>

Additionally, it was reported that 159 abstentions by proxy had been received and 17 proxies appointing a proxy other than the Chair had been received.

Members were invited to vote on this Motion and the Returning Officer was requested to conduct a count of the poll.

7. COMMON BOND – NATURAL PERSON – APPROVED PERSONS CATEGORY:

It was moved and seconded that a motion be put to consider and, if thought fit, pass the following as a special resolution:

“That the constitution of the Company is hereby amended by replacing the words “, up to a limit of 5,000 persons” in item 3 of the table in Clause A2-1 of Appendix 2 with the words, “up to a limit of twenty percent of the total number of members admitted under the Employment and Family categories of this rule”.”

After discussion for and against the Motion, the Chair advised he would now put the Motion before the Meeting for a formal vote, and that he would ask the Returning Officer to conduct a poll on this matter. Prior to the conduct of the poll, the Secretary was requested to advise the number and composition of valid proxy votes received in respect of this motion. It was reported that 4,936 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	3,228
Discretionary votes to the Chair	<u>1,220</u>
(the Chair having indicated he would use his Discretion to vote <u>for</u> the Motion)	4,448
Against the Motion	<u>325</u>
	<u>4,773</u>

Additionally, it was reported that 141 abstentions by proxy had been received and 22 proxies appointing a proxy other than the Chair had been received.

Members were invited to vote on this Motion and the Returning Officer was requested to conduct a count of the poll.

8. COMMON BOND – BODY CORPORATE:

It was moved and seconded that a motion be put to consider and, if thought fit, pass the following as a special resolution:

“That the constitution of the Company is hereby amended by deleting the words “The number of Bodies Corporate which may be admitted to membership shall not exceed 1,000.” From the table in Clause A2-2 of Appendix 2.”

Following questions and discussion for and against the Motion, the Chair advised he would now put the Motion before the Meeting for a formal vote, and that he would ask the Returning Officer to conduct a poll on this matter. Prior to the conduct of the poll, the Secretary was requested to advise the number and composition of valid proxy votes received in respect of this motion. It was reported that 4,936 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	3,114
Discretionary votes to the Chair	<u>1,221</u>
(the Chair having indicated he would use his Discretion to vote <u>for</u> the Motion)	4,335
Against the Motion	<u>425</u>
	<u>4,760</u>

Additionally, it was reported that 154 abstentions by proxy had been received and 22 proxies appointing a proxy other than the Chair had been received.

Members were invited to vote on this Motion and the Returning Officer was requested to conduct a count of the poll.

4d. CHIEF EXECUTIVE OFFICER’S REPORT:

The Chief Executive Officer, Mr Steve James, was invited to address the Meeting at this juncture.

Mr James opened his presentation by introducing the Executive Management Team of the Mutual Bank:

Brad Hedgman	Deputy Chief Executive
Neil Kenzler	Chief Risk Officer
Craig McMahon	Chief Operations Officer (apology)
Theresa Mason	Chief Sales & Marketing Officer
Helen O'Reilly	Chief Human Resources Officer (apology)
Glenn Sargeant	Chief Financial Officer

With the assistance of a PowerPoint presentation, Mr James spoke to the following:

- New products and Services
- The Awards TMB has achieved
- Member Satisfaction
- Our Staff
- Our Community
- Disaster Assistance
- Teacher Focus
- Looking Forward

Mr James also expressed his appreciation for support throughout 2013/14 by the Board, Members Committee, Management, Staff and particularly, Members.

At the conclusion of the Chief Executive's address, the Chair sought questions/issues requiring clarification from the floor; no issues were raised.

There being no questions, it was moved and seconded that the Chief Executive's report for 2013 be adopted. On being put to the Meeting:

THE MOTION WAS CARRIED.

9. GENERAL BUSINESS

The Chair then opened the Meeting to items of general business. In doing so, he reminded Members that any issues raised in this section of the Meeting could not be the subject of a vote. If necessary, issues raised will be referred to the incoming Board for consideration, with advice back to the next Annual General Meeting.

The following matters were raised and members will be advised on the outcomes at the next AGM:

- The possibility of the Annual Report to be posted two weeks prior to the meeting to those members who are going to attend.
- Can a Near Field Communication (NFC) blocking card wallet be handed out at next year's AGM.
- Would it be possible to have the option of leaving a short message on our phone system.

- Is it possible to have access to TMB's app for internet banking purposes on other phones, eg Windows-based phone.
- A request to have comparison figures of other mutuals in the business papers for Directors' Remuneration.

At this stage, the Chair advised the Returning Officer had notified him the results of the poll conducted on the resolutions were now available. The Returning Officer then advised the results of the poll conducted on Items 6, 7 and 8 by members in person or by proxy were as follows:

Item No	Votes cast FOR the resolution	Votes cast AGAINST the resolution	TOTAL votes cast	Abstain votes	Result
6 – Remuneration of Directors	3,882 77.84%	1,105 22.16%	4,987	162	I therefore declare the motion carried as an ordinary resolution
7 – Common Bond – Natural Person – Approved Person Category	4,614 92.24%	388 7.76%	5,002	147	I therefore declare the motion carried as a special resolution
8 – Common Bond – Body Corporate	4,492 90.04%	497 9.96%	4,989	160	I therefore declare the motion carried as a special resolution

The Chair thanked Mr Hannan, the Returning Officer, for declaring the results of the poll and also thanked the members for their support and participation in the voting process.

VOTE OF THANKS

The Deputy Chair moved a vote of thanks to all of those responsible for the organisation of and arrangements for the Meeting:

- To the Management and Staff of Canterbury Hurlstone Park RSL Club.
- To the audio visual company for the supply of audio visual equipment.
- To all Teachers Mutual Bank Staff responsible for the organisation of the Meeting and for the Chairperson's and Chief Executive Officer's presentations viewed earlier; and
- To the Chair for his conduct of the Meeting.

THE MOTION WAS CARRIED BY ACCLAMATION.

There being no further business, the Chair thanked everyone for their attendance and interest in the affairs of Teachers Mutual Bank and declared the Meeting closed at 12.19pm.

DATE: CONFIRMED:

CHAIRPERSON

SECRETARY