

**MINUTES OF THE FORTY SIXTH ANNUAL GENERAL MEETING OF
THE TEACHERS MUTUAL BANK LIMITED
HELD AT CANTERBURY HURLSTONE PARK RSL CLUB,
20-26 CANTERBURY ROAD, HURLSTONE PARK
ON SATURDAY, 24TH NOVEMBER 2012**

ATTENDANCE:

There were 293 Members and 21 visitors present. John Kouimanos occupied the Chair.

OPENING:

The Meeting was called to order at 10.01am and the Meeting 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.

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
Richard McCauley	Former Director
Ken Miller	Former General Managers
John Prescott	

APOLOGIES:

Apologies had been received from the following Members:

P Blight, R Brown, B Carlin, J Clark, M Collopy, P & T Condon, J Dixon, L Foster, G Green, B & J Hughes, K & K King, L Lentfer, M Miland, M Schlue, P Stewart.

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.

CONFIRMATION OF THE MINUTES:

Minutes of the 45th Annual General Meeting held on 26th November 2011:

It was moved and seconded that the Minutes of the 45th Annual General Meeting held on Saturday 26th November 2011, previously circulated, be received into the Meeting and be confirmed.

THE MOTION WAS CARRIED.

BUSINESS ARISING FROM THE MINUTES:

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

- Mutuality –
Assurance was sought in writing from the Directors that mutuality be protected.
The Board considered the only assurance that can be given will come from the membership itself. 75% vote in favour for any change in mutuality must come from the membership.
- Proposed Constitutional Changes –
 - It was asked that if demutualisation was proposed, would the membership be given for and against cases, unlike the name change proposal.
In the case of demutualisation, full consultation with the membership would be a requirement.
 - A member stated that the only forum for a negative case was through the NSW Teachers Federation journal, *Education*. The member requested that information regarding any future proposed constitutional changes include for and against cases.
Where a major constitutional change is proposed, a negative case would be considered.
- Eligibility –
A member stated his disapproval that private sector teachers were not eligible to join.
The issue of the bond is reviewed by the Board as deemed necessary. Currently there is no proposal from the Board to amend the Bond.

▪ Mutual Status –

A member asked for a guarantee in writing on how long we would remain a mutual.
It is not legally possible to give a written guarantee. The Board has no plans that would affect the mutual status of our organisation.

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 2012 be received into the Meeting.

THE MOTION WAS CARRIED.

DIRECTORS' REPORT:

Mr Kouimanos introduced the serving Directors to the Meeting.

Prior to presenting his report for 2011/12, 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. Mr Kouimanos advised the Meeting that the transition from Teachers Credit Union to Teachers Mutual Bank, effective 2nd April 2012, had gone smoothly; the Mutual Bank was in a strong financial position with its focus being on returning the surplus to members. Mr Kouimanos thanked the Staff; the Members Committee for its support of the Mutual; the Board of Directors; and he also thanked the members for their support and trust.

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.

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 2012.

In moving adoption of the Statement of Accounts and Auditors' Report for the year ended 30th June 2012, 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 2012 be adopted.

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

THE MOTION WAS CARRIED.

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 | 11,420 |
| (b) | Number of formal votes | 11,353 |
| (c) | Number of informal votes | 67 |
| (d) | Number of formal votes cast for each candidate is as follows: | |
| | Linda Green | 8,724 |
| | Maree O'Halloran | 8,463 |
| | Phil Lambert | 5,000 |
| (e) | The names of the two (2) candidates elected are:- | |
| | Linda Green | |
| | Maree O'Halloran | |

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 | 11,420 |
| (b) | Number of formal votes | 11,304 |
| (c) | Number of informal votes | 116 |
| (d) | Number of formal votes for each candidate is as follows: | |
| | Kay Smith | 9,117 |
| | Phil Blight | 7,639 |
| | Judy MacGraw | 3,036 |
| | Lyn Maciver | 3,781 |
| | Helen MacGregor | 7,237 |
| | Ian Parnaby | 3,526 |
| | Philip Allas | 2,382 |
| | David Croucher | 7,218 |

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

Kay Smith
Phil Blight
Helen MacGregor
David Croucher”

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.

REMUNERATION OF DIRECTORS:

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 \$419,000 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 \$60,000 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 \$6,000 per annum."

After discussion for and against the Motion, there was a call for the Motion to be put. A count of hands was taken with the result being the majority voted in favour for the motion to be put.

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 5,316 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	2,659
Discretionary votes to the Chair	<u>1,280</u>
(the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	3,939
Against the Motion	<u>1,214</u>
	<u>5,153</u>

Additionally, it was reported that 163 abstentions by proxy had been received and 64 proxies appointing a proxy other than the Chair had been received.

Members were requested to complete the back of their voting card, issued to voting members at registration, by indicating their vote for Item 6. Once this had been done, the Chair declared the poll closed and asked the Returning Officer to conduct the count of the poll and report back to the meeting when completed.

RESIGNATION AND APPOINTMENT OF AUDITOR:

- a. To note the resignation of BDO Audit (NSW-VIC) Pty Ltd, accepted by the Directors due to the audit directors joining Grant Thornton Audit Pty Ltd.

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

“That Grant Thornton Audit Pty Ltd, having been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001, and having consented to act as auditor in accordance with Section 328A(1) of the Corporations Act 2001, be appointed as the auditors of the Company.”

With no questions from the floor, 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 5,318 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	3,762
Discretionary votes to the Chair	<u>1,294</u>
(the Chair having indicated he would use his Discretion to vote <u>for</u> the Motion)	5,056
Against the Motion	<u>99</u>
	<u>5,155</u>

Additionally, it was reported that 163 abstentions by proxy had been received and 64 proxies appointing a proxy other than the Chair had been received.

Members were requested to complete the back of their voting card, issued to voting members at registration, by indicating their vote for Item 7. Once this had been done, the Chair declared the poll closed and asked the Returning Officer to conduct the count of the poll and report back to the meeting when completed.

CHIEF EXECUTIVE'S REPORT:

The Chief Executive, 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 (unable to attend the Meeting)
Craig McMahon	Head of Operations
Theresa Mason	Head of Sales & Marketing
Helen O'Reilly	Head of Human Resources
Glenn Sargeant	Chief Financial Officer

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

- The smooth transition to Teachers Mutual Bank
- Our Products and Services
- Awards TMB has achieved
- Our People
- Member Satisfaction
- Our community
- Teacher focus
- Future innovations

Mr James also expressed his appreciation for support throughout 2012/13 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 2012 be adopted. On being put to the Meeting:

THE MOTION WAS CARRIED.

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 for business papers to be sent a week prior to the AGM.
- Screens on rediATMs are difficult to read – can we approach the manufacturer to change the colour configuration of the machines.
- Possibility to consider an initiative to support the children of refugees to improve their English and education overall.
- Comment on the missing apostrophe in the name *Teachers Mutual Bank* and asked that it be reinstated.
- Members to submit their questions prior to the AGM so that the Board can consider its response.

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 and 7 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	4,140 76.65%	1,261 23.35%	5,401	169	I therefore declare the motion carried as an ordinary resolution
7 – Resignation and Appointment of Auditor	5,292 98.00%	108 2.00%	5,400	170	I therefore declare the motion carried as an ordinary 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 Sweet Sounds for the supply of audio visual equipment.
- To all Teachers Mutual Bank Staff responsible for the organisation of the Meeting and for the Chair's and Chief Executive'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 12.40pm.

DATE:

CONFIRMED:

CHAIRPERSON

SECRETARY