

**MINUTES OF THE FORTY NINTH ANNUAL GENERAL MEETING OF
THE TEACHERS MUTUAL BANK LIMITED
HELD AT CANTERBURY HURLSTONE PARK RSL CLUB,
20-26 CANTERBURY ROAD, HURLSTONE PARK
ON SATURDAY, 21ST NOVEMBER 2015**

ATTENDANCE:

There were 236 Members and 50 visitors present. John Kouimanos occupied the Chair.

OPENING:

The Chair called the Meeting to order at 10.04am and advised that this year, for the first time, members who were unable to attend the AGM in person could view it live, by webcast. Those members viewing the webcast would be able to see and hear all the proceedings in real time, however would not be able to interact with the meeting, including being able to vote.

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 Aboriginal people 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 Wallman Lawyers, the Bank's Solicitors
Neville Sinclair & Madeleine Mattera	Grant Thornton Audit Pty Ltd, the Bank's Auditors
Stuart Gillies	Former General Manager

APOLOGIES:

Apologies had been received from the following Members:

P Blight, B Carlin, M Carlin, J Dixon, K Jacob, S Jacob, J MacGraw, J Quinn, 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 48th Annual General Meeting held on 22nd November 2014:

It was moved and seconded that the Minutes of the 48th Annual General Meeting held on Saturday 22nd November 2014, 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 was one item in Business Arising from the Minutes of that Meeting:

- Provision of an end of year financial statement separate to the account information for the purpose of taxation –

Management had investigated this with our software core banking suppliers and currently our computer software does not facilitate this process; and demand for it is very low, so service is not available at this time.

4. PROPOSED CONSTITUTIONAL AMENDMENTS:

On advice from our Lawyers, we moved to a combined resolution to simplify the voting process and streamline the AGM to benefit all members, but only where the changes were simpler in nature.

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 Teachers Mutual Bank Limited be amended with immediate effect in the manner set out in the Schedule of Proposed Constitutional Amendments (Distribution on Winding up and Manner of appointing member elected Directors), tabled at the meeting and, for the purposes of identification, signed by the Chair.”

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 4,406 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	2,913
Discretionary votes to the Chair	<u>1,320</u>
(the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	4,233
Against the Motion	<u>173</u>
	<u>4,406</u>

Additionally, it was reported that 101 abstentions by proxy had been received and 11 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.

5. 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 2015 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 2014/15, Mr Kouimanos passed the Chair to Deputy Chair, Linda Green then 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 merger with Unicredit (The University Credit Society Limited) in Western Australia, giving us the UniBank brand.
- Home loan performance has remained strong, growing by 12.32% to \$3.8 billion.
- Investments – we have continued to expand and diversify our sources of liquidity and capital via the wholesale market.

- Recent developments –
 - New website was launched
 - A Teachers Mutual Bank Facebook page was launched
 - Social media presence will be expanded
 - We have received the Bank of the Month status in the Roy Morgan Research Customer Satisfaction Awards on six separate occasions.

Mr Kouimanos thanked –

- The Board of Directors for its commitment, skill, knowledge and experience.
- The Senior Management and Staff.
- The Members Committee for its dedication and commitment to the Bank and its support of Board decisions and strategic plans.

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

- Departments of Education
- NSW Teachers Federation
- The teacher unions
- Teachers Health
- Allianz
- Zurich
- Bridges
- Teachers Car Buying

In closing, Mr Kouimanos thanked our members for their trust and loyalty. It is our members who provide the bedrock for our financial strength, stability and future growth.

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

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.

5b. & 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 2015.

In moving adoption of the Statement of Accounts and Auditors' Report for the year ended 30th June 2015, Director Collopy, Chair of the Bank's Audit 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. She then formally moved:

That the Statement of Accounts and Auditors' Report for the year ended 30th June 2015 be adopted.

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

THE MOTION WAS CARRIED.

6.&7. APPOINTMENT OF DIRECTORS & APPOINTMENT OF MEMBERS COMMITTEE:

The Chair introduced Justin Robinson, the Returning Officer, who advised the results of the poll conducted on the resolution for Agenda Item 4 – Proposed Constitutional Amendments as follows:

Item No	Votes cast FOR the resolution	Votes cast AGAINST the resolution	TOTAL votes cast	Result
4 – Proposed Constitutional Amendments	4,420 96.02%	183 3.98%	4,603	I therefore declare the motion carried as a special resolution

The Chair informed the Meeting that as the special resolution to amend the Constitution had been passed, the changes to the Constitution had immediate effect. As a consequence there was no need to hold a ballot for the election of Directors or for the election of the members of the Members Committee. The Chair called on the Company Secretary, the Chief Executive, to declare the candidates duly elected.

The Chief Executive advised that there being two candidates for election to the two vacancies on the Board, in accordance with the Constitution the following were declared duly elected as Directors of Teachers Mutual Bank Limited:

Linda Green
Maree O'Halloran

Also, there being four candidates for election to the four vacancies on the Members Committee, in accordance with the Constitution the following were declared duly elected as members of the Members Committee of Teachers Mutual Bank Limited:

Graeme Green
Les Kent
Judy MacGraw
Bernie Williams.

The Chair congratulated the successful candidates on their re-election to their respective offices.

8. 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 Directors collectively a maximum total sum of \$679,200 by way of fees, concessions and other benefits to be apportioned by the Directors as they determine. This sum shall include any relevant taxes payable either by the Bank or by individual Directors.
- (b) 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 Bank purposes;
 - (ii) any use of a private motor vehicle for 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.

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 4,289 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	2,181
Discretionary votes to the Chair	<u>1,417</u>
(the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	3,598
Against the Motion	<u>691</u>
	<u>4,289</u>

Additionally, it was reported that 218 abstentions by proxy had been received and 10 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, 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
Dave Chapman	Chief Information Officer
Neil Kenzler	Chief Risk Officer
Craig McMahon	Chief Operations Officer
Theresa Mason	Chief Sales & Marketing Officer
Helen O'Reilly	Chief Human Resources Officer
Glenn Sargeant	Chief Financial Officer

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

- New Products and Services – constantly looking at the latest technology and innovations to bring members competitive products and services in the most cost effective way.
- Recognition and awards – the Bank has a very strong record in Corporate Social Responsibility and as a result we have become known as leaders, thanks to our ethical, environmental and community investment activities. This is also reflected in the many various awards or citations received this year.
- Member satisfaction – a high standard of service and member satisfaction are a fundamental part of who we are as a bank. We still consistently rate among the highest in the country in customer satisfaction in the Roy Morgan poll.
- TMB's Staff – our workforce is growing with our expanding national presence. The Bank now employs over 500 people in five States and Territories across Australia. Although we are becoming more geographically dispersed, ways to enhance employee engagements are being continually identified.
- Our Community – community investment is one of our key strengths as a socially responsible bank. We invest in a diverse range of activities for the education community.
- Education Focus – a major initiative of the Board and Management over the coming years is to grow membership. We want to ensure we are well placed to appeal to the next generation of teacher members, especially those currently in universities pursuing education/teaching studies.
- New Strategic Vision for Mutual Banking industry – leading the new strategic vision for the Mutual Banking Industry, Teachers Mutual Bank and our larger peers have been encouraging our industry body The Customer Owned Banking Association (COBA) to take a leadership role and develop an industry vision to which we can all be held to account.
- Looking forward to our 50th Anniversary – 2016 is our 50th Anniversary and we are planning a range of celebrations to mark this major milestone.

Mr James expressed his appreciation for support throughout 2014/15 by the Board, Advisory Committees, Management, Staff and particularly, Members.

At the conclusion of the Chief Executive's address, the Chair sought questions/issues requiring clarification from the floor.

It was moved and seconded that the Chief Executive's report for 2015 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 would be referred to the incoming Board for consideration, with advice back to the next Annual General Meeting.

A number of queries were raised and responded to; however, the following matters was raised and members will be advised on the outcome at the next AGM:

- Affordable Housing – what strategies or engagement does the Bank have to give access or help to young teachers in respect of getting into the housing market or community housing and social housing?
- Reverse Mortgages – has the Board thought about reverse mortgage instruments for future retirees?

At this stage, the Chair advised the Returning Officer had notified him the results of the poll conducted on the resolution were now available. The Returning Officer then advised the results of the poll conducted on Item 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	Result
8 – Remuneration of Directors	3,782 84.06%	717 15.94%	4,499	I therefore declare the motion carried as an ordinary resolution

The Chair thanked Mr Robinson, 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 11.57am.

DATE: CONFIRMED:

CHAIRPERSON

SECRETARY