

**MINUTES OF THE FORTY EIGHTH ANNUAL GENERAL MEETING OF
THE TEACHERS MUTUAL BANK LIMITED
HELD AT CANTERBURY HURLSTONE PARK RSL CLUB,
20-26 CANTERBURY ROAD, HURLSTONE PARK
ON SATURDAY, 22ND NOVEMBER 2014**

ATTENDANCE:

There were 246 Members and 30 visitors present. John Kouimanos occupied the Chair.

OPENING:

The Chair called the Meeting to order at 10.00am 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 and Michael Hourihan	Former Directors

APOLOGIES:

Apologies had been received from the following Members:

A Affleck, S Blain, A Deller, J Dixon, G Green, J MacGraw, H MacGregor, J McCauley, R McCauley, K Miller, J Parker, J Prescott, A Sciberras, G Smith, J Stinson, 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 47th Annual General Meeting held on 23rd November 2013:

It was moved and seconded that the Minutes of the 47th Annual General Meeting held on Saturday 23rd November 2013, 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:

- The possibility of the Annual Report to be posted two weeks prior to the meeting to those members who are going to attend –
The Annual Report is available on TMB's website; however we will send the Annual Report to members who RSVP.
- Can a Near Field Communication (NFC) blocking card wallet be handed out at next year's AGM –
An NFC blocking card was included in the pack handed out at the AGM.
- Would it be possible to have the option of leaving a short message on our phone system –
This was discussed at Executive level, however the capability is not currently available.
- Is it possible to have access to TMB's app for internet banking purposes on other phones, eg Windows-based phone –
Although we endeavour to operate on a number of operating devices, costs prohibit enabling on all device and browser combinations.

- A request to have comparison figures of other mutuals in the business papers for Directors' Remuneration –
Unless this is public information, and therefore available on the websites of these Mutuals, the information cannot be notified to members of TMB.

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 2014 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 2013/14, 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 financial performance of TMB over the past twelve months.
- Our Third Party Channel – the home loan broker market.
- Sustainability and Community focus.
- Investment perspective.
- Coming developments – in particular, the social media channel; and new website.

In closing, Mr Kouimanos thanked –

- The Board of Directors for its knowledge and experience.
- The Senior Management and Staff.
- The Members Committee for its support of Board decisions.
- The members for their trust, loyalty and support.

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

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.

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 2014.

In moving adoption of the Statement of Accounts and Auditors' Report for the year ended 30th June 2014, Director Collopy, 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. She then formally moved:

That the Statement of Accounts and Auditors' Report for the year ended 30th June 2014 be adopted.

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

THE MOTION WAS CARRIED.

5. APPOINTMENT OF DIRECTORS – JENNIFER LEETE AND TYRONE CARLIN:

The Chair advised there were two candidates who had nominated for the Board of Directors this year, Jennifer Leete and Tyrone Carlin. Under the Bank's Constitution, if the number of candidates is equal to or less than the number of vacancies an election by postal ballot is not held. However, when a ballot is not held, the candidates are appointed by separate ordinary resolution at the Annual General Meeting where members can vote on those resolutions by either attending the AGM or appointing a proxy to vote for them.

With this information and no questions from the floor, the Chair moved the resolution that:

- a) Jennifer Leete be elected as a Director of Teachers Mutual bank.

The Chair advised he 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.

It was reported that 4,303 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	2,806
Discretionary votes to the Chair (the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	<u>1,278</u> 4,084
Against the Motion	<u>114</u> <u>4,198</u>

Additionally, it was reported that 105 abstentions by proxy had been received and 36 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.

The Chair then moved the resolution that:

- b) Tyrone Carlin be elected as a Director of Teachers Mutual bank.

The Chair advised he 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.

It was reported that 4,303 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	2,491
Discretionary votes to the Chair (the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	<u>1,448</u> 3,939
Against the Motion	<u>207</u> <u>4,146</u>

Additionally, it was reported that 157 abstentions by proxy had been received and 36 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.

6. ELECTIONS:

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

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

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	9,099
(b) Number of formal votes	9,081
(c) Number of informal votes	18
(d) Number of formal votes for each candidate is as follows:	
Khurshed Hiranamek	2,005
Jonathan Hillman	3,136
Harry Berwick	2,968
Phil Blight	6,549
Kay Smith	8,358
Stephen Bonnor	5,143
David Croucher	6,731

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

Kay Smith
David Croucher
Phil Blight
Stephen Bonnor"

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.

The Chair also expressed his thanks to Helen MacGregor for her contribution to the Members Committee over the past six years.

7. 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 \$656,100 per annum, 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 Mutual 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 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.

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 4,303 valid proxy votes appointing the Chair as proxyholder had been received and that those votes had been cast as follows:

For the Motion	1,997
Discretionary votes to the Chair	<u>1,344</u>
(the Chair having indicated he would use discretion to vote <u>for</u> the Motion)	3,341
Against the Motion	<u>764</u>
	<u>4,105</u>

Additionally, it was reported that 198 abstentions by proxy had been received and 36 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
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
- The Awards TMB had achieved
- TMB's Values
- Our Staff
- Our Community
- Teacher Focus
- New Strategic Vision for the Mutual Banking Industry
- Looking Forward

Mr James 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 2014 be adopted. On being put to the Meeting:

THE MOTION WAS CARRIED.

8. 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 matter was raised and members will be advised on the outcome at the next AGM:

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

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 5 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	Result
5 – Appointment of Director Leete, Jennifer	4,321 97.28%	121 2.72%	4,442	I therefore declare the motion carried as an ordinary resolution
5 – Appointment of Director Carlin, Tyrone	4,171 95.08%	216 4.92%	4,387	I therefore declare the motion carried as an ordinary resolution
7 – Remuneration of Directors	3,559 81.89%	787 18.11%	4,346	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 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 12.05pm.

DATE: CONFIRMED:

CHAIRPERSON

SECRETARY