

**MINUTES OF THE 53rd ANNUAL GENERAL MEETING OF QPCU LIMITED T/A QBANK
HELD AT HOTEL JEN, 159 ROMA ST, BRISBANE 4000 AT 10.30 am
ON THURSDAY 23rd NOVEMBER 2017**

MEMBERS PRESENT:

There were 33 members of QPCU Limited T/A QBANK ("QBANK") present as per the Attendance Register. Additionally, there were 7 visitors and guests.

OPENING OF MEETING:

The Chair, Mr Morton, declared the 53rd Annual General Meeting open at 10.30am and confirmed a quorum was present.

The Chair welcomed all members and the following guests on behalf of the Board:

- Mr Timothy Kendall representing the Company's auditors, BDO;
- Mr Derek Weatherly of Indue Limited; and
- Mr Paul Latemore of Bridges Financial Services.

The Chair advised that Standing Orders as set out in the QBANK Constitution apply to the conduct of debate in the meeting. A time limit for speakers and the voting method was also advised.

ITEM 1: CONFIRMATION OF MINUTES OF 2016 ANNUAL GENERAL MEETING

The Chair advised that the minutes of the 52nd Annual General Meeting held at Hotel Jen, 159 Roma St, Brisbane 4000 at 10.30 am on Thursday 24th November 2016 had been made available to all members on the QBANK website and also provided to all persons in attendance.

The Chair declared the Minutes confirmed.

ITEM 2: RECEIVING FINANCIAL STATEMENTS

The Chairman advised that a copy of the financial statements, directors' report and auditor's report for the year ended 30 June 2017 had been made available to all members on the QBANK website and is available on request. Questions were invited in relation the financial statements or auditor's report. No questions were forthcoming.

The Chair declared the Financial Statements, Directors' Report and Auditor's Report for the year ending 30 June 2017 received.

ITEM 3: DIRECTOR ELECTION – JILLIAN STEINKAMP

Director Just spoke in support of the resolution, to consider and if thought fit to pass, the following resolution:

"That Ms Jillian Steinkamp, being eligible for re-election, be elected as a Director of the Company commencing at the conclusion of the 2017 AGM."

Director Just moved the motion.

The Chair advised the proxies received:

For: 638
Against: 60
Open: 159 of which the Chair holds 156

The Chair advised the meeting that the open proxies held by the Chair will be voted in favour of the resolution. The Chair also advised the meeting that a majority vote will be required to pass this resolution and a poll will be conducted.

There were no other speakers for or against the motion.

Members was asked to mark their blue voting cards "for", "against" or "abstain".

ITEM 4: DIRECTOR ELECTION – DANIEL KEATING

Director Wilson spoke in support of the resolution, to consider and if thought fit to pass, the following resolution:

"That Mr Daniel Keating, being eligible for re-election, be elected as a Director of the Company commencing at the conclusion of the 2017 AGM."

Director Wilson moved the motion.

The Chair advised the proxies received:

For: 644
Against: 57
Open: 158 of which the Chair holds 155

The Chair advised the meeting that the open proxies held by the Chair will be voted in favour of the resolution. The Chair advised the meeting that a majority vote will be required to pass this resolution and a poll will be conducted.

There were no other speakers for or against the motion.

Members was asked to mark their blue voting cards "for", "against" or "abstain".

ITEM 5: DIRECTOR ELECTION – ANDREW HENDERSON

Director Leavers spoke in support of the resolution, to consider and if thought fit to pass, the following resolution:

"That Mr Andrew Henderson, being eligible for re-election, be elected as a Director of the Company commencing at the conclusion of the 2017 AGM."

Director Leavers moved the motion.

The Chair advised the proxies received:

For: 647
Against: 47
Open: 159 of which the Chair holds 156

The Chair advised the meeting that the open proxies held by the Chair will be voted in favour of the resolution. The Chair advised the meeting that a majority vote will be

required to pass this resolution and a poll will be conducted.

There were no other speakers for or against the motion.

Members was asked to mark their blue voting cards "for", "against" or "abstain".

ITEM 6: SPECIAL RESOLUTION TO AMEND THE DEFINITION OF THE COMMON BOND IN THE CONSTITUTION

The Chair informed the meeting the resolution is seeking to obtain member approval to amend the definition of the Common Bond in the Company's Constitution. A copy of the resolution has been provided to all members. The Chair advised the meeting that a 75% majority was required for the resolution to pass and that a poll will be conducted.

Director Brownhill spoke in support of the resolution, to consider and if thought fit to pass, the following resolution as a special resolution:

"That the definition of the Common Bond as set out in Appendix 2 of QBANK's Constitution be amended as set out in the Explanatory Statement."

Director Brownhill advised the meeting that this resolution has been proposed to update and refresh the definition of the Common Bond in the Constitution. The proposed changes improve the layout and structure of the eligibility criteria, remove superseded references and provide additional clarity to the classes of persons eligible for membership. The proposed changes also give the Board discretion to approve categories of persons to provide for flexibility in admitting new categories of members in accordance with QBANK strategic objectives, although it is important to note that the Board has no current intentions to amend the categories of members.

Director Brownhill moved the motion.

The Chair advised the proxies received:

For:	632
Against:	37
Open:	181 of which the Chair holds 177

The Chair advised the meeting that the open proxies held by the Chair will be voted in favour of the resolution. The Chair also advised the meeting that a majority vote will be required to pass this resolution and a poll will be conducted.

There were no other speakers for or against the motion.

Members was asked to mark their blue voting cards "for", "against" or "abstain".

ITEM 7: SPECIAL RESOLUTION TO AMEND PROVISIONS IN THE CONSTITUTION RELATING TO ELECTED DIRECTORS

The Chair informed the meeting the resolution is seeking to obtain member approval to amend the number of elected directors as set out in the Constitution together with provisions regarding the process to be followed by directors wishing to re-nominate as directors. A copy of the resolution has been provided to all members. The Chair advised the meeting that a 75% majority was required for the resolution to pass and that a poll will be conducted.

Director Brownhill spoke in support of the resolution, to consider and if thought fit to pass, the following resolution as a special resolution:

“That the provisions of QBANK’s Constitution relating to elected directors in Subrule 13.1 and Subrule A5-2(4) be amended as set out in the Explanatory Statement.”

Director Brownhill advised the meeting that the Board considers that given the size and complexity of QBANK, and the need to ensure long term sustainability for QBANK through controlling operating costs while supporting growth, it is desirable to reduce the overall maximum number of directors to seven comprised of five member elected directors and up to two board appointed directors. In reaching this decision, the board has had regard to the size of boards of other mutual banks similar to QBANK, the need to balance the skills of the board and the prudential requirements of the Australian Prudential Regulation Authority. Even after this change is fully implemented, the number of elected directors will still comprise a substantial majority of the board. This resolution proposes that the number of elected directors is reduced over time from seven to five, as and when any of the directors who are elected directors immediately after the end of the 2017 AGM, retire. The Board believes the proposed resolution is in the best interests of the Company.

Director Brownhill moved the motion.

The Chair advised the proxies received:

For: 615
Against: 51
Open: 177 of which the Chair holds 173

The Chair advised the meeting that the open proxies held by the Chair will be voted in favour of the resolution. The Chair advised the meeting that a special majority of 75% was required for the resolution to pass and that a poll will be conducted.

There were no other speakers for or against the motion.

Members was asked to mark their blue voting cards “for”, “against” or “abstain”.

ITEM 8: SPECIAL RESOLUTION TO APPROVE MODERNISING AND MISCELLANEOUS CHANGES TO THE CONSTITUTION

The Chair informed the meeting the resolution is seeking to obtain member approval for a number of modernising and miscellaneous changes to the Constitution. A copy of the resolution has been provided to all members. The Chair advised the meeting that a special majority of 75% was required for the resolution to pass and that a poll will be conducted.

Director Brownhill spoke in support of the resolution, to consider and if thought fit to pass, the following resolution as a special resolution:

“That the miscellaneous changes to QBANK’s Constitution described in the Explanatory Statement and set out in the marked up copy of the Constitution tabled at the AGM and initialled by the Chair for the purposes of identification be approved.”

The Chair tabled the marked up copy of the Constitution showing the proposed changes and initialled it.

Director Brownhill advised the meeting that changes are proposed to update and modernise QBANK's constitution, taking into account factors such as developments in what are regarded as good governance practices, changes made by other mutual financial institutions, changes in the financial services industry and developments in the use of technology.

Director Brownhill moved the motion.

The Chair advised the proxies received:

For: 641
Against: 30
Open: 177 of which the Chair holds 173

The Chair advised the meeting that the open proxies held by the Chair will be voted in favour of the resolution. The Chair advised the meeting that a special majority of 75% was required for the resolution to pass and that a poll will be conducted.

There were no other speakers for or against the motion.

Members was asked to mark their blue voting cards "for", "against" or "abstain" and to hold up their blue voting cards to be collected by Link Market Services.

CHAIR'S ADDRESS:

The Chair addressed the meeting. He gave an overview of QBANK's performance including net profit and capital adequacy, commentary on QBANK's position in the mutual and ADI sector and QBANK's continued focus on the core bond

The Chair, on behalf of the Board, extended thanks to QBANK's management and staff and to the members for their continued support.

CHIEF EXECUTIVE OFFICER'S ADDRESS:

The Chief Executive Officer shared a video with the meeting highlighting achievements of QBANK during the year. The Chief Executive Officer spoke to QBANK's achievements during the 2016/2017 financial year including the Everyday Hero Awards.

The Chief Executive Officer and Chairman invited any questions.

No questions were asked.

ANNOUNCEMENT OF POLL RESULTS

The Company Secretary advised that the Poll had been completed and declared the following results:

ITEM 3: RE-ELECTION OF MS JILLIAN STEINKAMP

Resolution 1: "That Ms Jillian Steinkamp, being eligible for re-election, be elected as a Director of the Company commencing at the conclusion of the 2017 AGM."

For: 819(93.17%)
Against: 60(6.83%)

The Company Secretary declared the resolution passed.

ITEM 4: RE-ELECTION OF MR DANIEL KEATING

Resolution 2: "That Mr Dan Keating, being eligible for re-election, be elected as a Director of the Company commencing at the conclusion of the 2017 AGM."

For: 824 (93.53%)
Against: 57 (6.47%)

The Company Secretary declared the resolution passed.

ITEM 5: RE-ELECTION OF MR ANDREW HENDERSON

Resolution 3: "That Mr Andrew Henderson, being eligible for re-election, be elected as a Director of the Company commencing at the conclusion of the 2017 AGM."

For: 828(94.63%)
Against: 47 (5.37%)

The Company Secretary declared the resolution passed as an ordinary resolution.

ITEM 6: SPECIAL RESOLUTION TO AMEND THE DEFINITION OF THE COMMON BOND

Resolution 4: "That the definition of the Common Bond as set out in Appendix 2 of QBANK's Constitution be amended as set out in the Explanatory Statement."

For: 835(95.76%)
Against: 37 (4.24%)

The Company Secretary declared the resolution passed as a special resolution.

ITEM 7: SPECIAL RESOLUTION TO AMEND PROVISIONS IN THE CONSTITUTION RELATING TO ELECTED DIRECTORS

Resolution 5: "That the provisions of QBANK's Constitution relating to elected directors in Subrule 13.1 and Subrule A5-2(4) be amended as set out in the Explanatory Statement."

For: 814(94.10%)
Against: 51 (5.90%)

The Company Secretary declared the resolution passed as a special resolution.

ITEM 8: SPECIAL RESOLUTION TO APPROVE MODERNISING AND MISCELLANEOUS CHANGES TO THE CONSTITUTION

Resolution 6: "That the miscellaneous changes to QBANK's Constitution described in the Explanatory Statement and set out in the marked up copy of the Constitution tabled at the AGM and initialled by the Chair for the purposes of identification be approved."

For: 840 (96.55%)
Against: 30 (3.45%)


The Company Secretary declared the resolution passed as a special resolution.

CLOSURE OF MEETING:

The Chair advised that no notice of any other business had been provided and asked if there were any further matters any member wished to discuss.

The Chair thanked everyone for attending the meeting and declared the meeting closed at 10.58 am

The Chair invited all present to join the Directors and management for some light refreshments.

CHAIRMAN: 

DATED:12/12/17.....