

**MINUTES OF THE 50TH ANNUAL GENERAL MEETING OF THE
QUEENSLAND POLICE CREDIT UNION LIMITED
HELD IN THE ALABASTER ROOM, VICTORIA PARK
HERSTON ROAD, HERSTON ON FRIDAY, 7 NOVEMBER 2014**

MEMBERS PRESENT:

There were 39 shareholders of the Queensland Police Credit Union Limited present as per the Attendance Register. Additionally, there were visitors and guests.

OPENING OF MEETING:

The Chairman, Ms Steinkamp, declared the 50th Annual General Meeting open at 10.30am and asked the Company Secretary to read the Credit Union Prayer.

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

Matthew Hart, BBS
Craig Jenkins, BDO
Michael Swannell, Indue
Guy Dunstan, Dunstan Hardcastle
Mark Stefanoff, QBE

APOLOGIES:

The meeting was advised that apologies had been received from Tom and June Young.

The Chairman advised that Standing Orders as set out in the QPCU 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 2013 ANNUAL GENERAL MEETING

The Chairman advised that the minutes of the 49th Annual General Meeting held at the Park Regis Hotel, North Quay Brisbane on Friday 8 November 2013, had been made available to all members on the QPCU website and also provided to all persons in attendance.

The Chairman 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 had been made available to all members on the QPCU website and is available on request. Questions were invited in relation the financial statements or auditor's report. No questions were forthcoming.

The Chairman declared:

**THE FINANCIAL STATEMENTS, DIRECTORS' REPORT AND AUDITOR'S REPORT FOR THE
YEAR ENDING 30 JUNE 2014 RECEIVED.**

ITEM 3: DIRECTORS' ELECTION RESULTS

The Company Secretary advised the meeting that the 2014 voting process was conducted independently by Link Market Services Limited and that the Returning Officer was Mr Chris Healy.

The Company Secretary announced to the meeting that the Director's Election for Queensland Police Credit Union Ltd was conducted on Friday, 24th October 2014 at the offices of Link Market Services, Sydney South and advised the results of the election:

Maree Blake	738
Dan Keating	932
Judy Spence	793
Jillian Steinkamp	1,236
Andy Henderson	942

The Company Secretary declared Jillian Steinkamp, Andy Henderson and Dan Keating elected as Directors of Queensland Police Credit Union Limited.

ITEM 4: DIRECTORS' REMUNERATION

Director Neville Ide spoke in support of the resolution: "To consider and if thought fit to pass, the following resolution:

"That Directors' aggregate remuneration is set at \$461,505 per annum, commencing at the conclusion of the 2014 AGM."

Director Ide advised the meeting that this resolution seeks approval for a Directors' remuneration pool of \$461,505, which reflects a 3% year on year increase in line with the Consumer Price Index (All Groups) to June 2014. The Board had referenced the McGuirk Remuneration Survey for 2014 to assist them in their decision and considers this increase to be reasonable and appropriate.

Further advised was that the Board of Directors unanimously recommends that you vote for this resolution. Directors, as individual members, will abstain from voting.

Director Neville Ide moved the motion.

The Chairman advised the proxies received:

For:	1,062
Against:	582
Open:	149

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

The meeting was asked to hold up their yellow voting card to be collected by Link Market Services, when asked to vote, for, against or abstain.

ITEM 5: SPECIAL RESOLUTION TO AMEND THE QPCU CONSTITUTION

The Chairman informed the meeting the resolution is seeking to make amendments to the constitution around the number and appointment of Directors and a copy of the resolution has been provided to all attendees today. The Chairman advised the meeting that a 75% majority was required for the resolution to pass and that a poll will be conducted.

Director Paul Wilson spoke to the resolution: "To consider, and if thought fit to pass, the following resolution as a special resolution:

"That the Credit Union's Constitution be amended as set out in Appendix 1 to the Notice of Annual General Meeting."

Director Wilson advised that the resolution had been unanimously recommended by the Board. A copy of the resolution was provided to all in attendance at the AGM.

APPENDIX 1

Amendments to Constitution – the number and appointment of Directors

1. In Rule 1.1, after the definition of 'director' insert the following new definition:
electd director means a **director** appointed under Rule 13.4 or Rule 13.5

2. Replace Rule 13.1 with the following:

13.1 Number of Directors

- (1) The number of **electd directors** is determined by the **board** from time to time.
- (2) At any time, the **board** may consist of up to 2 **directors** appointed by the **board** under Subrule (4), in addition to **electd directors**.
- (3) The majority of **directors** must be **electd directors**.
- (4) The **board** may appoint any person who is eligible to be a **director** as **director** for a term not exceeding 3 years.

3. In Rule 13.5(1), replace "in the office of a **director**" with "in the office of an **electd director**".

4. Replace Rule 13.6 with the following:

13.6 Term of Office

- (1) Subject to the Corporations Law and the rotation provisions in this Rule, an **electd director's** term of office:
 - (a) starts at the end of the AGM at which the director's election is announced; and
 - (b) ends at the end of the third AGM after the AGM at which the **director's** election is announced.
- (2) If the number of **directors** that **members** appoint is more than a third of the total number of **electd directors**:
 - (a) the term of office for the third of the total number of elected directors that receives the most votes at the election, ends at the end of the third AGM after the AGM at which the directors' election is announced; and
 - (b) the term of office for the remainder ends at the end of earlier AGMs where less than a third of the total number of elected directors are due to retire at those earlier AGMs.
Directors with less votes retire at earlier AGMs than those with more votes.
- (3) For purposes of Subrule 13.6(2):
 - (a) if the number of **electd directors** is not divisible by 3 — round fractions up to the next whole number in determining how many **directors** there are in a third or in two thirds of **electd directors**; and
 - (b) if 2 or more **directors** have the same number of votes — the order of retirement amongst them is determined by lot.

Director Paul Wilson spoke to the resolution advising that this special resolution will:

- (a) Remove the existing cap of nine (9) directors.
- (b) Allow the Board to:
 - determine the number of elected Directors from time to time, and

- appoint up to two (2) Directors in addition to elected Directors, for a term not exceeding three (3) years;

subject to a condition that the majority of Directors must be elected Directors.

Director Wilson advised the meeting that voting for this resolution, will allow the organisation to go to the next level with a new set of skills, to take QPCU forward into this competitive environment.

Director Wilson moved resolution: "To consider, and if thought fit to pass, the following resolution as a special resolution:

"That the Credit Union's Constitution be amended as set out in Appendix 1 to the Notice of Annual General Meeting."

The Chairman advised the proxies received:

For:	1,183
Against:	450
Open:	162

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

The Chairman invited any speakers.

Mrs Catherine O'Donnell spoke against the motion.

Mr Greg Early spoke against the motion.

Director John Just spoke for the motion.

The CEO provided some context from a corporate point of view.

The meeting was asked to hold up their blue voting card to be collected by Link Market Services, when asked to vote, for, against or abstain.

CHAIRMAN'S ADDRESS:

The Chairman's Address highlighted the following:

- On 2 June, QPCU marked fifty years of providing community dedicated banking to its valued members.
- Queensland Police also celebrated a milestone, one hundred and fifty years of policing the state of Queensland.
- As part of the fiftieth anniversary celebrations the QPCU Everyday Heroes Awards were launched. These awards will continue to be celebrated for many years to come. Members were encouraged to nominate an everyday hero they know in next year's awards program.
- QPCU is a strong and prudent financial institution with a history of putting members first.
- The QPCU Board continually identifies, reviews and responds to emerging issues and opportunities to ensure the credit union remains robust and members enjoy strong governance of their money.
- This proactive approach not only allows QPCU to drive new game-changing initiatives but is also vital in the face of increased competition and ongoing regulatory changes.

The Chairman recognised Col Chant and Len Bracken who are leaving the Board this year and thanked Col and Len for their efforts and dedication over many years. The meeting acknowledged Directors Chant and Bracken by way of acclamation.

The Chairman, on behalf of the Board, extended thanks to QPCU's management and staff for bringing the QPCU vision to life.

The Chairman thanked the 26,215 QPCU members who were a part of the QPCU family during the last financial year and thanked them for their support and hoped to continue to meet their needs well into the future. She further advised the outlook for QPCU is bright, the strength of business, continued growth and commitment to members sets QPCU apart.

CHIEF EXECUTIVE OFFICER'S ADDRESS:

The Chief Executive Officer spoke to QPCU's operations and financial performance for the 2013/2014 financial year. The following points were highlighted:

- QPCU's ability to communicate with new younger members is crucial to the future survival and success of QPCU. That the focus on this group will see QPCU flourish for another fifty years.
- A video version of the Annual Report had been developed to enhance QPCU's profile in the digital world, and share the success and vision with a wider and more diverse audience.

The Chief Executive Officer shared the video with the meeting.

Other highlights of the Chief Executive's presentation:

- It has been a year of innovation for QPCU, as we endeavour to make life easier for our members.
- During the 2014 financial year, the sectors we focus on continued to be impacted by workplace restructuring instituted by the Queensland Government as well as negative consumer sentiment within Queensland.
- Total loan fundings increased by only 1.7% from the previous financial year, offset by a higher rate of loan repayments, resulting in loan balances reducing marginally by 0.52%.
- Retail deposit growth (excluding wholesale deposits) was managed in light of declining loan balances. Annual growth of retail deposits eased to 1.14%.
- QPCU's capital adequacy ratio, already significantly higher than the industry average at 20.48%, increased to 21.88% and continues to improve.
- Net profit before tax, although down on the previous year, was still strong at \$4.62 million. The main reason for this reduction in profit was a strategic longer term investment in increasing our information technology, marketing and sales capabilities, and thereby our competitiveness in the market.
- There is more information in the *Annual Review* available for you today, and the full financials are available in the *Annual Report*, which can be downloaded from the QPCU website - a small quantity of hard copies available today upon request.

In conclusion, the Chief Executive Officer reiterated our value proposition: "We're here for the everyday heroes."

The Chief Executive Officer also gave his thanks to Len Bracken and Col Chant for supporting him in the Chief Executive Officer role since April 2008.

The Chief Executive Officer and Chairman invited any questions.

The Chief Executive Officer responded to questions on opening hours during the G20 events in the city.

The Chairman announced that an apology had been received that Police Commissioner Ian Stewart was unable to attend due to a meeting with the Premier.

ANNOUNCEMENT OF POLL RESULTS

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

ITEM 4: DIRECTORS' REMUNERATION

Resolution 1: "To consider and if thought fit to pass, the following resolution:

"That Directors' aggregate remuneration is set at \$461,505 per annum, commencing at the conclusion of the 2014 AGM."

For: 67.80%
Against: 32.20%

The Company Secretary declared the resolution passed.

ITEM 5: SPECIAL RESOLUTIONS TO AMEND THE QPCU CONSTITUTION

Resolution 2: "To consider, and if thought fit to pass, the following resolution as a special resolution:

"That the Credit Union's Constitution be amended as set out in Appendix 1 to the Notice of Annual General Meeting."

For: 75.23%
Against: 24.77%

The Company Secretary declared the resolution passed.

CLOSURE OF MEETING:

The Chairman advised that no notice of any other business had been provided.

The Chairman thanked everyone for making the effort to attend today at then declared the meeting closed at 11:42am.

The Chairman invited all present to join the Directors and staff for some light refreshments.

CHAIRMAN:  DATED: 15 December 2014