

2019 POLICE BANK LTD

Annual General Meeting

Border Bank and Bank of Heritage Isle are divisions of Police Bank Ltd. ABN 95 087 650 799.
AFSL/Australian Credit Licence No 240018. 25 Pelican Street, Surry Hills NSW 2010.

A MESSAGE FROM OUR CEO

Dear Member,

On behalf of the Board of Directors of Police Bank, it is my pleasure to invite you to the 2019 Annual General Meeting (AGM) of Police Bank Ltd on Thursday, 28 November 2019. The AGM will commence at 6:00pm on Level 4, Sydney Masonic Centre, 66 Goulburn St, Sydney NSW 2000.

At the AGM, our Board Chair, Mr Greg McKenna, and I will provide Members with an overview of your Bank's performance for the financial year ending 30 June 2019, and will update you on our strategy for the year ahead. Eligible Members have the opportunity to vote in our 2019 Board of Directors election, details enclosed in this pack, and the final results will be announced at the AGM. Eligible Members will have the opportunity to vote on Board Remuneration and other important matters set out in the agenda by attending our AGM in person or if you prefer, by lodging a proxy as detailed later in this booklet.

A copy of the Police Bank 2019 Annual Report is available for viewing on our website. Alternatively, call our Contact Centre on 131 728 if you would like a copy to be mailed to you.

The Directors and Executive team of Police Bank look forward to seeing you at the AGM.



Andrew Rasby
Acting CEO

21 October 2019

NOTICE OF ANNUAL GENERAL MEETING

POLICE BANK LTD ABN 95 087 650 799

Police Bank Ltd hereby gives notice that the Annual General Meeting of Members will be held on Level 4, Sydney Masonic Centre, 66 Goulburn Street, Sydney on Thursday, 28 November 2019 commencing at 6:00pm.

AGENDA

Ordinary Business

1. Apologies

2. Minutes

To confirm the minutes of the 2018 AGM held on 29 November 2018 by a show of hands.

3. Financial statements and reports

To receive and consider the consolidated financial statements of the Company and its controlled entities and the reports of the directors and auditor for the financial year ended 30 June 2019.

4. Director Elections

To consider, and if thought fit, pass the following as ordinary resolutions by a show of hands:

4.a. That Peter Remfrey, a Director retiring in accordance with clause 22.10.1 of the Constitution the Police Bank Constitution, and being eligible, is re-elected as a Director of the Company.

4.b. That Michael Fuller, a Director appointed to fill a casual vacancy in accordance with clause 22.2.2 of the Constitution seeking confirmation of his appointment, and being eligible, is re-elected as a Director of the Company.

5. Directors' remuneration for 1 December 2019 to 30 November 2020

To consider, and if thought fit, pass the following as an ordinary resolution by a show of hands: *That Members approve the amount of \$736,000, as the total pool of Directors' Fees for the period 1 December 2019 to 30 November 2020 with the payment to individual Directors being at the discretion of the Board.*

6. Appointment of Auditor

To consider, and if thought fit, pass the following as an ordinary resolution by a show of hands: *That pursuant to section 327B of the Corporations Act and for all other purposes, Deloitte Touche*

Tohmatsu (Deloitte), having been nominated by a Member and having given its consent in writing to act as auditor, be appointed as the auditor of the Company to hold office from the conclusion of this Annual General Meeting until it resigns or is removed from office; and that pursuant to section 331 and other applicable provisions of the Corporations Act, Deloitte be paid remuneration as may be mutually agreed between the auditors and the Board of Directors of the Company.

7. General Business

EXPLANATORY NOTES

2. Minutes

The Minutes from the previous year's AGM will be made available at the AGM or can be viewed on our website in our Annual Report and AGM section, or you can request a copy from our Company Secretary.

3. Financial statements and reports

The Corporations Act 2001 and the Constitution require that the Bank's Financial Report, Directors' Report and the Auditor's Report for the year ended 30 June 2019 be presented at the meeting. Whilst a Member resolution is not required under the Corporations Act 2001, the Directors believe that asking the meeting for an advisory vote by a show of hands at the AGM is important to engage with you on important issues affecting the Bank.

The Police Bank Annual Report, which includes the financial statements and reports, will be made available at the AGM or can be viewed on our website in our Annual Report and AGM section, or you can request a copy from our Company Secretary.

4. Director elections

This year's AGM will consider the appointment of two directors, Mr. Peter Remfrey and NSW Police Commissioner Michael Fuller. Mr Remfrey was last elected at the 2016 AGM. Mr Fuller was appointed by the Board as a Member Elected Director, effective 30 August 2019, to fill a casual vacancy arising from the resignation of long-standing Director David Walton in accordance with clause 22.2.2 of the constitution.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

POLICE BANK LTD ABN 95 087 650 799

Mr Remfrey's term expires at the conclusion of this AGM. In accordance with clause 22.2.2(c) Mr Fuller must seek confirmation of his appointment at this AGM. Both directors gave notice of their intention to stand for re-election.

The Bank opened nominations on 19 September 2019 and closed them on 1 October 2019, having received no nominations. The Nominations Committee has vetted and approved both incumbent directors. Accordingly, there are two Director positions to be filled and two candidates. In accordance with the Constitution the election process is usually via ballot. However, in the circumstances where the number of Candidates is equal to or less than the number of positions to be filled the Board may determine that clause 23.5.3 will apply.

In these circumstances:

- (a) Constitution clauses 23.6 – 23.12 (the ballot clauses) do not apply;
- (b) Members may appoint each Candidate as a Director by passing a separate resolution at the annual general meeting; and
- (c) the Company must give Members a notice that the ballot process has been discontinued and that Members will vote on the appointment of each Candidate as a Director by a separate resolution at the next Annual General Meeting.

On 11 October 2019 the Board determined that clause 23.5.3 would apply, that the ballot process would be discontinued and that the requisite notice would be given by means of this Notice of AGM. Accordingly, the appointment of Mr Remfrey and Commissioner Fuller will be considered by Members by means of an ordinary resolution.

5. Directors' remuneration

Please note that the Board is seeking a remuneration pool for Directors fees of \$736,000 this year. This is the same amount as was approved by Members at the 2018 AGM.

6. Appointment of Auditor

Grant Thornton has served the Company as auditor since 2008. Following a tender process Grant Thornton has given notice of their resignation effective at this AGM. Subject to ASIC consenting to Grant Thornton's

resignation, there will be a vacancy for the position of Police Bank auditor. The purpose of this resolution is to seek Member approval for the ongoing appointment of Deloitte Touche Tohmatsu (Deloitte) as auditors of the Company. In accordance with section 328B of the Corporations Act, notice in writing nominating Deloitte as auditor has been given to the Company by a Member. A copy of this notice is included in this Notice of Meeting. The appointment of Deloitte will be by vote of Members as an ordinary resolution. Deloitte has provided to the Company, and has not withdrawn, its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.

VOTING

Members can vote at the AGM by show of hands or by appointing a proxy. A proxy form has been included in this pack, or can be obtained on our website in our Annual Report and AGM section, or you can request a copy from our Company Secretary by emailing secretary@policebank.com.au.

INSTRUCTIONS

How to appoint a proxy to vote on your behalf at the AGM

A Member who is entitled to attend the Annual General Meeting and vote is entitled to appoint a proxy. A proxy need not be a Member. A proxy form is enclosed with this notice. To be effective the appointment of a proxy must be received by the Bank at least 48 hours prior to the meeting either at its registered office at 25 Pelican St, Surry Hills NSW 2010, Reply Paid 63593 Surry Hills NSW 2010 or by emailing secretary@policebank.com.au

By Order of the Board of Directors,



Craig Townsend
Company Secretary

21 October 2019

26 September 2019

Jeremy Freeman
Acting Company Secretary
Police Bank Ltd
25 Pelican Street
Sydney NSW 2000
By email to: jfreeman@policebank.com.au

Re: Notice of Nomination of Auditor

Dear Mr Freeman,

I am a Member of Police Bank Ltd (the Company).

I hereby give the Company notice under section 328B(1) of the Corporations Act 2001 (Cth) of my nomination of Deloitte Touche Tohmatsu of 225 George Street, Sydney NSW 2000 for appointment as auditor of the Company at the Company's Annual General Meeting on 28 November 2019.

A handwritten signature in black ink, appearing to read 'R. Redfern', with a long horizontal line extending to the right.

Yours sincerely,

Robert Redfern APM