



Queensland Teachers'  
Credit Union Limited

## MINUTES OF SPECIAL GENERAL MEETING

	<b>Matter</b>	<b>Particulars</b>
	<b>Meeting Details</b>	<p>Date Tuesday, 21 June 2011</p> <p>Time 5.30 pm</p> <p>Location Alabaster Room, Victoria Park Golf Complex, 223 Herston Road, Herston Brisbane</p> <p>Attendees 85 Members (as per attendance book), 15 guests including representatives from BBS and mecu</p> <p>Apologies Mick Sullivan, John Ward, Anita O'Connor, Theresa O'Connor, Helen Dersbyshire, Darien Spence</p> <p>Proxies 8225 (as per register of proxies)</p>
1	<b>Opening</b>	<p>The Chairman, Peter Whitelaw, called the meeting to order at 5.30 pm. Terry Edwsmith read the Credit Union Prayer.</p> <p>The Chairman opened the meeting and spoke on its purpose. He briefly outlined the order of business noting that there would be a question and answer session prior to the motion being put to allow those present another opportunity to ask about the mutual bank proposal.</p> <p>He advised the meeting that the process to date had been completely transparent with 10 information session meetings held across Queensland from Cairns, Townsville, Mackay, Rockhampton, Sunshine Coast, Brisbane North, Brisbane South, Gold Coast, Ipswich and Toowoomba.</p>
		<p>The Chairman advised the meeting that he was the holder of proxy votes and that a Poll will be demanded in relation to the motion when it is put to the meeting. He advised that:</p>
2	<b>Statement as to Proxy Votes held on behalf of Members not at the meeting</b>	<p>8225 proxy documents appointed a person present at the meeting as proxy; that 7897 of these proxy votes directed the proxies to vote as follows:-</p> <p style="padding-left: 40px;">7508 for the resolution; 354 against the resolution; 35 abstain from voting.</p> <p>He further advised that of these votes, 7886 appointed the Chairman to vote on their behalf as follows:-</p> <p style="padding-left: 40px;">7500 members requested a vote "FOR" the motion; 351 members requested a vote "AGAINST" the motion; 35 members had abstained from voting; 328 members with undirected votes – Chairman intended to vote 'FOR' the motion.</p>

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3	<b>Statement from the Chair and questions and comments from the Floor</b>	<p>Concluding his opening address, the Chairman advised that the Board had decided to undertake a proactive role in meeting its current and future opportunities for growth and believes that a change in Company name to incorporate the restricted word 'bank' by obtaining APRA's consent and to operate as a mutual bank would assist it meeting growth opportunities and to ensure the organisation is positioned to answer challenges and take advantage of opportunities that lie ahead. The Board of Directors unanimously recommends that the members vote in favour of the proposal resolution.</p> <p>The Chairman then opened up the meeting for other questions or issues regarding the advertised Special Business of the meeting that members wished to raise in relation to the proposed.</p>
		<p>The following is a summary of the questions raised by members, followed by the responses from the Chairman and CEO.</p>
		<p>Will shares be issued later to allow further growth and will the company remain unlisted?</p> <p><i>We do not intend to issue shares or become a listed company but will retain our mutual membership meaning one member, one vote.</i></p> <p>Will we risk being taken over, making reference to CBA taking over a mutual, namely Colonial State?</p> <p><i>The Constitution protects such actions by the requirement that 50% of members need to vote on any takeover or merger and of those 50%, 75% of votes have to be in favour of the takeover/merger.</i></p>
		<p>Why do need to grow and possibly be taken over by one of the big 4?</p>
		<p><i>Research has indicated that the younger generation have little or no knowledge about credit unions and by adopting the term 'bank' we believe the move to mutual bank will provide greater opportunities to attract new members which will be turn lead to an ability to provide all members with better and more competitive products, services and access points.</i></p> <p><i>The membership base of QTCU has been declining over the last 5 years and I believe the mutual bank strategy will develop the organisation into a more relevant and progressive financial institution that will appeal to the wider Queensland community.</i></p> <p><i>With regard to any possible takeover by a larger bank, QTCU has currently less than 1% share in the Queensland marketplace and therefore any takeover is unlikely</i></p>
		<p>Will there be a change in remuneration for the CEO and Board members?</p> <p><i>There will be no change in the way the remuneration levels for the Directors and all senior managers, including the CEO, are determined. We align our remuneration with the rates offered by similarly sized mutual organisations. The remuneration for Directors will still have to be approved by the members at the Annual General Meeting.</i></p> <p><i>The salary for the CEO is determined by the Board and again is aligned with remuneration rates offered by similarly sized mutual organisations.</i></p>

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	<p>Will QTCU's relationship with NAB continue?</p> <p><i>The member services offered through NAB will continue when we change to QT Mutual Bank. In the future we will be investigating other options such as our own BSB and exchange settlement accounts. These options will be thoroughly evaluated in relation to the benefits and disadvantages to our members before they are implemented.</i></p>
	<p>What will be the cost of rebranding to QT Mutual Bank and when will the members expect to see the benefits.</p> <p><i>A budget of \$2.5M has been allocated and an anticipated timeframe of 3 – 5 years to identify the additional growth of the organisation and its membership base.</i></p>
	<p>Why will name change attract more members?</p> <p><i>Even though the credit union has been open bonded since 1982, the word 'teachers' still conjures the idea that the credit union is only for teachers. The publicity to be generated by changing to mutual bank, the first in the Queensland marketplace, will create opportunities to increase our membership while the QT will retain the teacher heritage.</i></p>
	<p>Why are we not looking at the opportunities for representation at universities to target the younger market?</p> <p><i>Obtaining access into these types of establishments is very difficult.</i></p>
	<p>Will there be more ATM access?</p> <p><i>Our rediATM/NAB and now BOQ is the second largest ATM network in Australia.</i></p>
<p>4</p> <p><b>Proposed Resolution : Change of Company Name and Amendment of the Constitution</b></p>	<p>Director Kay Trowbridge then moved and spoke to the proposed motion. She advised that this was an opportunity to help the organisation grow and that the Board unanimously supported this change to the name QT Mutual Bank.</p> <p>She noted the Australian Government's support for the development of a strong 5<sup>th</sup> Pillar, comprising credit unions and building societies and also the credit union's eligibility to use the term 'bank'.</p>
	<p>She said that the organisation wanted to take advantage of that opportunity to grow in the marketplace, provide better products and services for the members and to ensure that the organisation remains strong for the future.</p> <p>From our understanding of the marketplace, she said, the word 'bank' implied security and safety and will help attract new members. However, she stressed that it was not proposed to be a conventional bank but a mutual bank. This meant that the organisation will remain as a member owned institution with each member having one share, one vote and profits will be retained to provide better products and services for the members.</p>
	<p>She further highlighted that for the organisation to grow it was necessary to attract new non teacher members and although the membership has been open for non teachers since the 1980's, many people still thought "we are just for teachers", a statement that has been confirmed by research. The organisation proposed to rebrand to QT in place of Queensland Teachers to retain that part of its history, yet still identify with non teachers.</p>

Matter	Particulars	
	<p>In conclusion, she said that although the organisation has great history, growing from small beginnings in the 1960's to a sound financial organisation, providing services to the wider Queensland community, the Board now seeks a positive vote for the constitutional change to become QT Mutual Bank.</p>	
	<p>The Chairman then asked the seconder, Mike Murphy to speak to the motion. M Murphy said that he had nothing further to add as most matters were discussed during the earlier question session.</p>	
	<p>The Chairman then asked the meeting if there were any speakers against the motion. There were none.</p>	
	<p>The Chairman then asked the meeting if there were any speakers for the motion. Lyle Schuntner offered to speak in favour of the motion.</p> <p>He spoke briefly on the formation of the credit union movement in Germany which operated as co-operative banks. He supported the opportunity for this organisation to call itself a mutual, similar to the co-operative terminology used within the credit union movement.</p> <p>He highlighted the mutuality philosophy of the one share one vote principle, when compared with large banks such as Westpac where voting powers are governed by the number of shares held by the individual and in the case of Westpac, those voters being large conglomerates.</p> <p>In conclusion, he requested the members to embrace this history making decision and support the motion.</p>	
	<p>The Chairman again then asked the meeting if there were any speakers against the motion. The Chairman then asked if there was a final speaker for the motion.</p> <p>Alex Djachenko agreed with the organisation's strategy for future growth and requested that the members support the motion.</p> <p>The Chairman made a final call for any speaker against the motion before the mover of the motion wished to exercise her right of reply. There were no further speakers from the floor.</p> <p>Kay Trowbridge replied by encouraging the members to vote in favour of the motion.</p>	
	<p><b>Moved:</b></p>	<p><b>That with effect from 1 October 2011, and subject to the Australian Prudential Regulation Authority giving its consent for the unconditional use of the restricted word 'Bank':</b></p> <ul style="list-style-type: none"> <li><b>(a) the name of the Company be QT Mutual Bank Ltd; and</b></li> <li><b>(b) the Company's Constitution be amended by deleting the following definition contained in Division 1. – Introductory Matters, section 1.1 Definitions:</b></li> </ul> <p><b>“credit union means the company described in this Constitution” and replacing it with the following new definition:</b></p>

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			<p><b>“credit union means the company described in the Constitution formerly called Queensland Teachers’ Credit Union Limited and now called QT Mutual Bank Ltd”.</b></p> <p><b>K Trowbridge/M Murphy</b></p>
		<p>The Chairman then reported that he held proxies and, in accordance with the Constitution, he was required to conduct a Poll. He reported that of the 7886 proxies that he held, 7500 of those proxies were in favour of the motion, 351 against the motion, 35 abstained from voting and 328 were to be voted as he saw fit. He said that the last category of proxies would be voted in favour of the motion. He noted that a total of 8278 votes on the motion were cast.</p>	
			<p><b>In Favour      7905</b>  <b>Against        361</b>  <b>Abstentions    37</b></p> <p>The motion was then declared as <b>carried</b>.</p>
	<b>Closure</b>	<p>The Chairman thanked the members for attending the Special General Meeting and closed the meeting at 6.50 pm</p>	