

2022 Special General Meeting

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Dear Members

At the outset, on behalf of the Board of Directors, Management and all Staff, I take this opportunity to thank you, our Members, for your continued advocacy, support, and the trust you have invested in us.

Thank you for your interest in the upcoming Special General Meeting as outlined in this booklet. One of the advantages of being a Member of a customer-owned mutual organisation is that you may exercise your right to participate in voting for changes to our Constitution.

The purpose of this Special General Meeting is for Members to consider an amendment to the Police Credit Union Constitution to approve a reduction in the number of Elected Directors from 6 to 5, and an increase in the number of Appointed Directors from 2 to 3. This change, if approved, will retain the overall size of the Board at 8, and will not impact or increase current Director remuneration, or overall costs to the organisation.

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Police Credit Union Ltd

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PO Box 6074 Halifax St PO SA 5000

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The timing of the meeting has been brought about by the recent and sudden resignation of Director Andrew Dunn for personal reasons, as communicated to Members on 3 February 2022. This resignation has occurred in advance of the 2022 Annual General Meeting, and, as such, has created a vacancy on the Police Credit Union Board. After careful and measured consideration of the matter, the Board have determined that it is appropriate to bring forward and progress existing strategic governance plans to enhance the overall composition, diversity and specialist skills of the Board through an increase in the number of Appointed Directors.

Over many years, I have shared with Members the increasingly complex and highly regulated environment that we operate in. The pace of industry change continues unabated and is exacerbated by escalating new risks and strategic challenges. Adapting successfully to these challenges requires your Board to continue to, amongst other things, embrace opportunities to further enhance its strategic governance framework. Achieving an improved balance of Elected and Appointed Directors allows Police Credit Union to achieve improved capability through a broader range of governance skills, knowledge, and experience.

At Police Credit Union we continue to focus on putting the owners of our business, our Members, first. Our commitment to you is to continue delivering market-leading value propositions through a range of flexible and highly competitive financial products and services while contributing to the ongoing support of our communities and environment.

The Board considers that the proposed amendment will hold us in good stead to continue delivery of the outstanding Organisational performance results which you have become accustomed to, notwithstanding the increased complexity of the operating environment.

Please take the opportunity to carefully review the information enclosed in this booklet, and I invite you to participate in this Special General Meeting.

Yours sincerely



Mr. Alex Zimmermann
Chairman of Directors

Notice of Special General Meeting

Notice is given that a Special General Meeting of Members of Police Credit Union Ltd, called by the Board pursuant to Rule 8.1 of the Constitution of Police Credit Union Ltd, will be held on Friday 3rd June at 10.00am in the Fenwick Function Centre of The Police Club at 27 Carrington Street, Adelaide SA.

AGENDA

SPECIAL BUSINESS

1. Constitutional Amendment

To consider and, if thought fit, pass the following resolution as a special resolution:

'That the Constitution of Police Credit Union Ltd be amended, with effect immediately after the end of the Special General Meeting of Police Credit Union Ltd, by substituting the following Rule for Rule 10.1:

10.1 Number of Directors

- (1) The **board** shall comprise:
- 5 **elected directors**; and
 - not more than 3 **appointed directors**, if any **appointed directors** are appointed by the **board** under Rule 10.4.'

(See the Explanatory Note on page 2)

VOTING ON A SPECIAL RESOLUTION

To be carried, a proposed special resolution listed in this notice must be passed by at least 75% of the votes cast by Members entitled to vote on the resolution at the meeting.

PROXIES

A Member who is entitled to attend the Special General Meeting and vote, is entitled to appoint a proxy. A proxy need not be a Member. A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. To be effective the appointment of a proxy must be received by the Credit Union at least 48 hours prior to the meeting either at its registered office at 17 – 23 Carrington Street, Adelaide SA 5000 or via email to pcuagm@policecu.com.au. A Proxy Form is included with this notice or can be obtained by contacting your local Police Credit Union branch or by telephoning 1300 131 844.

Dated 11th May 2022.



By Order of the Board
Mr Costa Anastasiou
Company Secretary

EXPLANATORY NOTE

This Explanatory Note has been prepared to assist Members in considering the proposed resolution referred to in this Notice of Special General Meeting.

Explanatory Note 1: Constitutional Amendment to reduce the number of elected Directors and increase the number of Appointed Directors (Agenda Item 1)

1. On 3 February 2022 Members were informed that Director Andrew (Andy) James Dunn had advised of his resignation from the Police Credit Union Board effective 1 February 2022, for personal reasons.
2. Police Credit Union operates in an increasingly complex and highly regulated environment. The pace of industry change continues unabated and exacerbated by escalating new risks and strategic challenges.
3. As part of its ongoing board renewal and strategic governance planning, the Board has for some time identified the need to continue to ensure that collectively the Board has the skills, knowledge, and experience which will facilitate Police Credit Union delivering continued future success in changing times. The Board acknowledges that it can't be assured that this will always be achieved through the election of Elected Directors and considers that there are significant potential benefits in enhancing its ability to strengthen the capacity of the Board through the targeted recruitment and appointment of Appointed Directors who have particular skills, knowledge and experience.
4. With the recent resignation of an Elected Director, the Board has identified the opportunity to progress its strategic governance plan and achieve what it considers to be an optimum Board composition, comprising 5 Elected and 3 Appointed Directors.
5. Rule 10.1 of the Constitution of Police Credit Union Ltd currently provides for there to be 6 Elected Directors and not more than 2 Appointed Directors. Elected Directors are Directors who are elected by Members. Appointed Directors are Directors who are appointed by the Board itself.
6. There are currently 5 Elected Directors and 2 Appointed Directors on the Board.
7. The Board considers that it is appropriate and desirable to appoint another Appointed Director to ensure that the Board, as a whole, continues to have an appropriate range of skills, knowledge, and experience to effectively govern Police Credit Union in a market and regulatory environment that continues to become more complex and demanding. However, it also considers that it would be desirable to do so without increasing the overall size of the Board or impacting the current level of Board Remuneration.
8. The Board therefore considers that there should be a reduction of 1 in the number of Elected Directors to 5, and an increase in the potential number of Appointed Directors from 2 to 3, with effect from the end of the Special General Meeting on Friday 3rd June 2022.

9. For the purposes of abundance of clarity, the current and proposed versions of the Constitutional Rule are provided below:

Current:

10.1 Number of Directors

(1) The board shall comprise:

- a) 6 ***elected*** directors from the end of the 2021 AGM; and
- b) not more than 2 ***appointed directors***, if any ***appointed directors*** are appointed by the board under Rule 10.4.

Proposed:

10.1 Number of Directors

(1) The ***board*** shall comprise:

- a) 5 ***elected directors***; and
- b) not more than 3 ***appointed directors***, if any ***appointed directors*** are appointed by the ***board*** under Rule 10.4.

How to Complete the Proxy Form and Important Information

APPOINTMENT OF A PROXY

If you wish to appoint the Chair of the meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chair of the meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the meeting will be your proxy. A proxy need not be a member of the Credit Union.

VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by placing a mark in one of the boxes below each listed resolution. If you do not mark any of the boxes on a listed resolution, your proxy may vote on that resolution as he or she chooses. **If you mark more than one box on a listed resolution, your vote on that listed resolution will be invalid.**

SIGNING INSTRUCTIONS

Individual Member: Where the member share is held in one name, the member must sign.

Attorney for Member: To sign under Power of Attorney, the Power of Attorney must be lodged with Police Credit Union Ltd. If you have not previously lodged it for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Company Member: Where the company has a sole Director who is also the sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

LODGEMENT OF PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the registered office of Police Credit Union Ltd at 17 – 23 Carrington Street, Adelaide SA 5000 or via email to pcuagm@policecu.com.au no later than 48 hours before the commencement of the meeting – **i.e. by 10.00am on Wednesday 1st June 2022**. Any Proxy Form received after that time will not be valid for the meeting.

Proxy Form over page ▶

Proxy Form

POLICE CREDIT UNION LTD 2022 SPECIAL GENERAL MEETING

MEMBERSHIP DETAILS

Name:

Member number:

Address:

Contact number:

APPOINTMENT OF PROXY

I / We, being a member of Police Credit Union Ltd and entitled to attend and vote at the Special General Meeting to be held on Friday 3rd June 2022 commencing at 10.00am, hereby appoint (please mark to indicate your appointment):

The Chair of the meeting, **OR**



(Full name or office of person appointed)

or, failing the attendance of the person named or if no person is named, the Chair of the meeting, as my/our proxy to attend and act generally at the meeting (and at any adjournment thereof) on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit). My proxy may vote on any resolutions not listed in this Proxy Form, including any resolution to amend a listed resolution, as my proxy sees fit. If I have appointed the Chair, I expressly authorise the Chair to exercise the proxy even if a resolution is directly or indirectly connected with the remuneration of a member of the key management personnel for the Credit Union.

Important information

If you wish to direct your proxy how to vote on a listed resolution set out on the following page, you should place a mark in either the "For", "Against" or "Abstain" box for that resolution. If you do not direct your proxy how to vote on a listed resolution, your proxy may vote on that resolution as your proxy sees fit. If you appoint the Chair as your proxy, and do not give a specific direction in relation to a listed resolution, the Chair intends to exercise your proxy vote in favour of that resolution.

VOTING DIRECTIONS TO YOUR PROXY

– if you wish to give directions please mark to indicate your directions.

Resolution 1 That the Constitution of Police Credit Union Ltd be amended, with effect immediately after the end of the Special General Meeting of Police Credit Union Ltd, by substituting the following Rule for Rule 10.1:

10.1 Number of Directors

(1) The **board** shall comprise:

- a) 5 **elected directors**; and
- b) not more than 3 **appointed directors**, if any **appointed directors** are appointed by the **board** under Rule 10.4.

For

Against

Abstain*

** If you mark the Abstain box, you are directing your proxy not to vote on the resolution and your vote will not be counted when calculating whether the required percentage of members has passed the resolution.*

PLEASE SIGN HERE

This section **must be signed** in accordance with the preceding signing instructions.

Member

OR Sole Director;

OR Director

and Company Secretary

Date