

QUDOS MUTUAL LIMITED

Minutes of 61st Annual General Meeting,
held on Wednesday, 25 November 2020 as a virtual AGM,
broadcast from the Novotel Sydney International Airport
22 Levey St Wolli Creek, NSW 2205,
commencing at 5.00 p.m.

<u>Minute No.</u>	<u>Particulars</u>
2755	Introductory video presentation about Qudos Bank.
2756	Chair of the Board, Mark Boesen, opened the 61 st Annual General Meeting at 5.00 p.m. and welcomed all Members and guests to the meeting.
2757	Chair advised that to support social distancing measures and maintain the health and safety of our Members and employees the AGM would be broadcast online on a platform allowing Members to vote and ask questions in the virtual meeting.
2758	Chair showed respect to and acknowledged the traditional custodians of the land on which the meeting took place, the Gadigal people of the Eora Nation, and Elders past and present.
2759	Chair outlined procedural matters and explained how Members could participate in the meeting and noted that guests could view the meeting but not participate.
2760	Chair advised that voting on the motions on notice was open and that Members could cast their votes up until he closed voting at the end of Agenda Item 5 – Special Business.
2761	Chair explained how to vote and ask questions and noted that questions may be moderated or amalgamated and that due to time constraints if all questions could not be answered during the meeting responses would be posted on Qudos' website.
2762	Chair provided a contact telephone number if Members required technical assistance.
2763	Chair advised that in accordance with usual custom the meeting would be recorded to ensure the accuracy of the minutes.
2764	Chair thanked Qudos Bank management and employees for their attendance and assistance organising the meeting.
2765	Chair welcomed the Company's external auditors, Martin McGrath and Graeme Scott from KPMG.
2766	<u>MINUTES OF THE 60th ANNUAL GENERAL MEETING</u> Chair reported that the Minutes of the 60 th Annual General Meeting had been accepted by the Board as an accurate record of the meeting and had been signed by him. He noted that a copy of the minutes was available on Qudos' website.
2767	Chair reported that there were nil matters arising from the minutes.
2768	<u>ANNUAL REPORT</u> Receipt and consideration of the Annual Report 2020.

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- 2769 Chair reflected on the tumultuous events of 2019/2020 and their effects on the Australian economy and Qudos Bank's customers. He advised that mitigating the financial impact to customers has been a key focus of Qudos Bank in 2020 and will continue to be a key focus.
- 2770 Chair thanked and praised the efforts of employees working from home during the COVID-19 pandemic and providing support to customers.
- 2771 Chair advised that through Qudos' environmental, social and governance program donations of \$150,000 were given to charities in January 2020 to support the bushfire recovery effort.
- 2772 A video presentation from the charity ReForest Now was played.
- 2773 Chair acknowledged former Directors Barry Phair, Sarah Collins and Louise Higgins who resigned from the Board in 2019/2020 and welcomed new Directors Dawson Petie, Joe Dicks and Clare Mazzetti, who were appointed to fill the vacancies arising from those resignations.
- 2774 Chair paid tribute to former Director and Deputy Chair, Henry Goodman, who passed away in 2020.
- 2775 Chair introduced CEO, Michael Anastasi, to present some key financial and operational highlights of the year.
- 2776 CEO reported that despite volatile economic conditions Qudos Bank's year end profit was only slightly down from the previous year, from \$24.93 million to \$21.99 million.
- 2777 CEO advised that:
- assets grew to \$4.48 billion or 11%, an increase of \$446.5 million
 - loans to members grew to \$3.47 billion, or 6.3%, an increase of \$204.3 million
 - the loan portfolio is made up primarily of housing loans with very low levels of delinquency
 - the provision for impairment was increased to \$15.4 million after factoring in COVID-19
 - Qudos has no commercial lending exposures
 - deposits grew to \$3.99 billion, or 10.7%, an increase of \$387.3 million
 - as at June 30 membership grew to 98,855 customers, an increase over the year of 2.8%
 - as at the AGM Qudos had over 100,000 customers
- 2778 CEO outlined some of the achievements in service delivery, including:
- fraud monitoring and protection
 - customer education and financial literacy
 - enhancements and updates to mobile banking
 - streamlining processes, including robotics and artificial intelligence
 - key strategic initiatives, including operational efficiencies, enhanced digital systems, product enhancements and service upgrades

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- 2779 CEO advised that Qudos Bank won several awards in 2020:
- Canstar Customer Owned Bank of the Year
 - Mozo Best Large Mutual Bank
 - Voice Project Best Workplace Award
 - Product Review Banking Award
- 2780 Video presentations on Qudos Bank's values, brand story and customer stories were played.
- 2781 CEO acknowledged and thanked Qudos Bank's employees, management and Directors.
- 2782 Chair acknowledged and thanked Qudos Bank's Members for their continued support. Chair also thanked Directors and management and employees, led by CEO, Michael Anastasi

2783 **DIRECTORS**

Election of Directors

The Chairman announced the results of the Director Election provided to the Board by the Returning Officer

Candidates

Terry McGuirk (new candidate)

Andrew Leithhead (retiring Director standing for re-election)

Joe Dicks (retiring Director standing for re-election)

Elected Candidates:

Andrew Leithhead

Joe Dicks

Chairman congratulated Andrew Leithhead and Joe Dicks on their re-election and thanked Terry McGuirk (who was unable to attend the AGM) for standing for election.

- 2784 Chair advised that Clare Mazzetti had been appointed as a Board Appointed Director for a term of three years commencing at the end of the AGM.

2785 **SPECIAL BUSINESS**

Chair reminded Members that voting would close at the end of this agenda item and advised that due to the addition of live online voting options, the results of the resolutions would be tabulated by the Returning Officer, ComputerShare, and announced after the event via Qudos Bank's website on the day following the AGM.

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Motions on Notice

Chair advised that the 2020 AGM notice included special business to update Qudos Bank's Constitution to enable Qudos Bank to meet the definition of "mutual entity" under the Corporations Act and allow Qudos Bank to issue mutual capital instruments (MCIs).

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Chair referred to the AGM Notice and Explanatory Statement, briefly explained the nature of MCIs and noted that Qudos Bank has no current plans to issue MCIs, but the Board and management consider it important to take advantage of mutual reforms to update the Constitution.

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Chair advised that the Board unanimously recommended that Members vote in favour of the resolutions and that he would cast all open proxies in favour of the Chair FOR the resolutions.

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Chair read the first motion on notice for a special resolution:

'THAT in accordance with section 136(2) of the Corporation Act, Qudos Bank's Constitution be modified to enable Qudos Bank to satisfy the definition of "mutual entity" under the Corporations Act, by making the amendments to articles 10.14(a)(ii)(A), 10.14(a)(ii)(B), 10.14(a)(ii)(C), 10.18(b), 10.18(b)(i)(A) and 10.18(b)(i)(B) contained in a copy of Qudos Bank's Constitution marked to show the proposed changes which has been tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification.'

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Chair read the second motion on notice for a special resolution:

'THAT Qudos Bank's Constitution be modified to allow Qudos Bank to issue mutual capital instruments (MCIs) in accordance with the Corporations Act, by making the amendments, other than the amendments noted in Item 5(a), contained in the copy of Qudos Bank's Constitution marked to show the proposed changes which has been tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification.'

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Chair asked if any questions from Members had been submitted and noted that no questions had been submitted.

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Chair paused to allow Members to finalise their votes on both resolutions and then closed voting.

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Chair reminded Members that the Returning Officer would tabulate the results and Qudos Bank would announce the results Qudos' website the following day.

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GENERAL BUSINESS

Chair encouraged any Members who had questions relating to their accounts, or account operations, to contact Qudos Bank via Qudos' website, or by speaking with a service team member in the Contact Centre and called for questions from the online platform.

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Chair advised that a question had been submitted prior to the meeting.

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Chair read the following question:

'We have a standard Qudos joint account which never falls below \$10,000 balance. We were shocked to see that for the first time in forever, last financial year we earned zero interest from that account. Don't you think it would be appropriate to email account holders in that situation now that at the least part of their savings could be put in a different account to then at least some interest?'

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2797 Chair advised that in March 2018 our general savings account interest rates changed and balances under \$49,999.99 ceased earning interest. These changes were advised via the website and the Australian newspaper, as is required. Chair reported that Qudos Bank had reviewed how interest rate changes are communicated earlier in 2020 and now also notify impacted customers by email. He noted that this account type is primarily a transaction account and recommended customers review the Bonus Saver, Q Saver, Qantas Points Saver, or term deposit accounts for accounts that earn interest.

2798 Chair asked if any other questions from Members had been submitted and noted that no other questions had been submitted.

2799 **Closure**

Chair thanked all Members and guests for attending the meeting, wished everyone a happy Christmas and a much safer New Year.

2800 Chair declared the meeting closed at 5.33 p.m.

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Accepted as a true and correct record of the meeting:

A handwritten signature in dark ink, consisting of a stylized, cursive 'J' followed by a horizontal line extending to the right.

Chair