2019 Annual General Meeting
Notice Of Annual General Meeting

Australian Central Credit Union Ltd
A.C.N. 087 651 125

Notice is given that the 2019 Annual General Meeting of Australian Central Credit Union Ltd trading as People's Choice Credit Union (People's Choice) will be held on Thursday 14 November 2019 at the Pullman Adelaide, 16 Hindmarsh Square, Adelaide, commencing at 11.00am, Central Daylight Saving Time.

Agenda

1. Chair’s and Managing Director’s Presentations.
3. To note the appointment of Mr John Patton as a member elected Director of Australian Central Credit Union Ltd.
4. Annual General Meeting Close.

Please refer overleaf for important information concerning the Agenda items.

By Order of the Board

Taryn Shearn
General Counsel & Company Secretary
23 September 2019
Directors’ Explanatory Statement

Item 2 - Financial Reports

The Corporations Act 2001 (Cth) requires the Financial Report (which includes the financial statements and Directors’ Declaration), the Directors’ Report and the Independent Audit Report of People’s Choice to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or the People’s Choice Constitution for shareholders to approve the Financial Report, the Directors’ Report or the Independent Audit Report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

Item 3 - Director Election

Mr John Cossons, the Chair of the Board, has elected to retire from the Board at the conclusion of the Annual General Meeting. Accordingly there is one Board vacancy this year. Mr John Patton, who is currently a Board appointed Director of People’s Choice and the Chair of the Risk Committee, has been nominated and offers himself for election. No other members were nominated for election.

In accordance with the People’s Choice Constitution, all persons who nominate for election are required to undertake a Nominations Committee process. An explanation of the Nominations Committee process is set out under the Director Election Process heading below.

Following consideration by the Nominations Committee and the Board, Mr John Patton was determined by the Board to become a candidate.

As there is one candidate for one vacancy, in accordance with paragraph 10.11(2)(a) of the People’s Choice Constitution, Mr John Patton is declared elected with effect from the end of the 2019 Annual General Meeting.
Under the People's Choice Constitution, non-executive Directors are entitled to be remunerated for their services as Directors and the total amount of remuneration for all non-executive Directors must not exceed the aggregate amount determined by the Company in general meeting.

At the 2017 Annual General Meeting, members approved an annual aggregate amount of remuneration for non-executive Directors of $787,291 (inclusive of superannuation).

The Notice of AGM provided that this sum would be allocated between non-executive Directors as follows:

Chair - $153,858
Non-executive Directors - $90,490 (per Director)

In 2018 the Board resolved not to make any changes to non-executive Director remuneration and accordingly, the amounts paid to individual Directors for the twelve month period following the 2018 Annual General Meeting remained unchanged.

Following a recent review of independent benchmarking data, the Board resolved to increase the remuneration payable to non-executive Directors in the twelve month period following the 2019 Annual General Meeting to the following amounts per Director:

Chair - $187,000
Non-executive Directors - $98,000 (per Director)

The increase aligns Directors’ remuneration more closely to that paid to Directors of comparable organisations. It is important that People’s Choice is able to attract and retain suitably experienced Directors, particularly in light of the significant responsibilities held by Directors in the continually evolving and increasingly complex legislative and regulatory environment.
Following certain changes to the composition of the Board that have occurred over the past two years, the Board will comprise six non-executive Directors in the twelve month period following the Annual General Meeting. As such, the aggregate remuneration of $677,000 (inclusive of superannuation) that will be payable to non-executive Directors in that period will be less than the aggregate amount of remuneration approved by members at the 2017 Annual General Meeting. Accordingly, no resolution with respect to Directors’ remuneration is required to be considered by members this year.

Questions at Annual General Meeting

One of the benefits of being a member of People’s Choice is that you are an owner of the business. This entitles you, amongst other things, to attend the Annual General Meeting and ask questions about the operations of People’s Choice.

People’s Choice is concerned to ensure that the requirements of relevant privacy laws are adhered to. Accordingly, questions asked by members should relate to the operation of the business and not to specific accounts or be of a nature that would involve specific account holder details. Staff in uniform will be available before and after the meeting to answer any questions of this nature.

Please do not ask questions involving individual accounts or individual account holders during the Annual General Meeting.

Provision has also been made for you to ask a question in writing on the printed proxy form or online by visiting www.votingservices.com.au/peopleschoicecu

The Chair’s and Managing Director’s presentations for the Annual General Meeting will be framed to cover as many of the issues raised as possible.
Appointing a Proxy

There are no items to be decided by a vote at the 2019 Annual General Meeting. Any members entitled to attend the meeting may appoint a proxy to attend the meeting on their behalf. An Appointment of Proxy form is enclosed with this Notice. If you lose or damage your proxy form, you can obtain another by calling 13 11 82.

Please note that for your Appointment of Proxy to be valid, your Appointment of Proxy form must be received by 11.00am Central Daylight Saving Time on 12 November 2019.

You can lodge your proxy by one of the following means:

Posting it (in the envelope provided with this notice) to:
The Returning Officer
People’s Choice Credit Union,
C/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, VIC 3001

Sending it by facsimile:
(Within Australia) 1800 783 447
(Outside Australia) +61 3 9473 2555

Appointment of Proxy Online
Members can also appoint a proxy online. Please visit www.votingservices.com.au/peopleschoicecu and follow the instructions. An online proxy can be submitted up until 11.00am Central Daylight Saving Time on 12 November 2019.

Director Election Process

Nominations Committee

In accordance with the People’s Choice Constitution, the Board established a Nominations Committee comprising the Chair of the Board and two independent representatives.

The Board (via its Corporate Governance Committee) provided the Nominations Committee with a list
of competencies (model criteria) which the Board considered as being relevant in undertaking the role of a Director of People’s Choice.

The Nominations Committee has the responsibility of:

- Asking nominees to provide relevant information (through an interview with the Nominations Committee and in writing) to address these competencies;
- Reviewing the information provided by the nominee;
- Issuing a statement setting out the Nominations Committee’s view as to whether each nominee has the appropriate skills, knowledge and experience (including as assessed against People’s Choice’s model set of criteria) to be a Director of People’s Choice; and
- Recommending to the Board whether each nominee:
  - Is of appropriate fitness and propriety to be and act as a Director for the purposes of People’s Choice’s obligations under applicable legislation and People’s Choice’s fit and proper policy; and
  - Has the appropriate skills, knowledge and experience to be a Director, by reference to the credit union’s model set of criteria.

In addition, the Nominations Committee may elect to make a statement regarding the level of contribution a nominee is likely to make to the Board.

Mr John Patton undertook the Nominations Committee process as required by the Constitution. The Nominations Committee made the following statement in relation to Mr John Patton:

The Nominations Committee is satisfied that Mr John Patton has the appropriate skills, knowledge and experience (including as assessed against People’s
Choice’s model set of criteria), to be a Director of People’s Choice. The Nominations Committee considers that Mr John Patton has the capacity to contribute to the Board of People’s Choice at the highest level.

**Board Endorsement**

The Board reviews comprehensive information about the nominee as:

- Provided by the nominee;
- Summarised by the Nominations Committee after it interviews the nominee;
- Discovered during interviews conducted by the Corporate Governance Committee with two referees whose names are provided by the nominee; and
- From checking undertaken in accordance with the Board’s Fit and Proper person policy which complies with the requirements of the Australian Prudential Regulation Authority.

Based on all of the above information, the Board assesses the nominee for suitability as a Director of People’s Choice with consideration given to the following attributes:

- The nominee’s ability to meet identified needs, if any, in the Board’s desired set of skills as determined from time to time;
- The professional and industry backgrounds of the nominee to ensure a diversity of backgrounds among Directors on the Board;
- The depth and breadth of skills of the nominee and whether they will add value to People’s Choice;
- Whether the nominee’s personal and interpersonal attributes add to the effectiveness of the Board;
- The independence of the nominee;
• Any significant conflicts of interest with the business of People’s Choice; and

• The nominee’s satisfaction of the model set of criteria.

The Board's first priority, after considering all available information, is to determine whether the nominee has met the minimum requirements to become a candidate.

If the individual meets the requirements to be a candidate, the Board then further carefully deliberates about the value that the individual candidate can reasonably be expected to add to the Board as a whole. This deliberation takes into account the individual skills that candidates offer to People’s Choice compared with the skills already available on, or to, the Board, and the level of experience of each candidate on Boards of similar significance and with similar responsibilities.

Where the Board concludes that it is likely that a candidate will add considerable value to the Board, it will endorse that candidate. Where it believes that the contribution of a candidate is likely to be positive but not at a level superior to endorsed candidates, it will remain silent.

The Board (with the current Director standing for election absent and not voting) resolved to endorse the election of Mr John Patton.
People’s Choice Credit Union, a trading name of Australian Central Credit Union Ltd ABN 11 087 651 125, acts under its own Australian Financial Services Licence 244310 and Australian Credit Licence 244310.