



Notice of Annual General Meeting

G&C Mutual Bank Limited ACN 087 650 637

Notice is given that the 58th Annual General Meeting (AGM) of the company will be held on Tuesday, 21 November 2017 at Level 25, 201 Elizabeth Street, Sydney, commencing at 5.30pm.

AGENDA

1. Apologies
2. To receive G&C Mutual Bank Limited's Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2017
3. To appoint a Director in accordance with the company's Constitution

As the number of nominations received was equal to the number of positions to be filled, an election by ballot will not be necessary. The following resolution will be put to the General Meeting:

"That Julian Kennelly be appointed as a Director of G&C Mutual Bank Limited until the end of the 2021 Annual General Meeting".

4. Appointment of Auditor

The following resolution will be put to the General Meeting:

"That Ernst & Young (EY) be appointed as Auditor of G&C Mutual Bank Limited".

5. To determine aggregate remuneration of Directors in accordance with the company's Constitution. The following resolution will be put to the General Meeting:

"That the maximum aggregate elected directors' remuneration including a provision for retirement benefits be fixed at \$696,100 for each financial year, commencing with the financial year that begins on 1 July 2017 and ends on 30 June 2018, and that approval be given for all purposes of the Corporations Act 2001 (including Sections 200B and 200E) for the future payment of retirement benefits to qualifying Directors in the circumstances described in the Explanatory Notes to this Notice of Annual General Meeting".

By Order of the Board
Rosanna Argall Company Secretary
20 September 2017

Explanatory Notes

Please refer to **ANNEXURE A** which contains Explanatory Notes in relation to Agenda Items 4 and 5.

Proxy Voting

You can appoint a proxy to attend and vote at the AGM on your behalf. The proxy does not have to be a member of G&C Mutual Bank. An Appointment of Proxy form may be obtained by calling (02) 9307 5409. To be valid, your Appointment of Proxy form must reach G&C Mutual Bank no later than 5pm on Friday 17 November 2017.

If you have any further inquiries regarding proxy voting or the AGM notice please contact G&C Mutual Bank's Company Secretary, Rosanna Argall, on (02) 9307 5409 during office hours.

ANNEXURE A Explanatory Notes

Agenda Item 4

The purpose of the resolution at Agenda Item 4 is to obtain member approval for the appointment of Ernst & Young (EY) as the company's auditor with effect from the commencement of the 2017/18 financial year. The company's current external auditor is PricewaterhouseCoopers (PwC). As PwC has now been the company's auditor for 8 years (inclusive of the 2016/17 financial year), the company's Board and Audit Committee resolved in May 2017 to undertake a "Request for Tender" process in relation to the provision of external audit services to G&C Mutual Bank for the 2017/18 and subsequent financial years. Following the completion of that tender process, the Board has resolved to engage EY as the company's auditor, subject to obtaining the required member approval at the 2017 Annual General Meeting. EY has had extensive experience in auditing banks and other Authorised Deposit-taking Institutions (ADIs). As required by law:

-) EY has provided the company with its written consent to act as auditor; and
-) a member of the company has nominated Richard Balfour for appointment as the company's auditor.

Agenda Item 5

The purpose of the resolution at Agenda Item 5 is to obtain member approval for the maximum aggregate annual amount of Directors' remuneration (inclusive of any payment to Directors of previously agreed retirement benefits), as required under the Company's Constitution.

Division 16 of the Company's Constitution requires that members must approve the maximum aggregate amount of remuneration that may be paid in any financial year to the Company's Elected Directors. This maximum amount is inclusive of the total amount of annual fees that may be paid to Elected Directors in any financial year together with the total amount of retirement benefits, if any, that any Directors may be entitled to be paid upon ceasing to hold office as a Director of the Company.

The maximum aggregate amount of Directors' remuneration that may be paid in any financial year has remained unchanged for 8 years, when members last approved a maximum amount of \$473,106 at the Company's 2009 Annual General Meeting. The new maximum amount of \$696,100 that members are being asked to approve under the resolution at Agenda Item 5 incorporates a provision of \$300,000 to cover potential future payments of retirement benefits to Directors, with the remaining \$396,100 constituting the maximum aggregate amount of annual fees that may be paid to Elected Directors in any financial year, commencing with the 2017/18 financial year.

Section 200B of the *Corporations Act 2001* (**Corporations Act**) requires member approval for the payment of retirement benefits to Directors unless a specific exemption applies. The Company has previously entered into arrangements which provide for retirement benefits to be paid to certain long-serving Directors subject to them satisfying service-related qualifying conditions. Those retirement benefit payments were exempt from member approval at the time they were agreed with Directors, but following subsequent changes in 2009 to the Corporations Act the Board considers it appropriate to seek member approval for the future payment of such amounts.

The retirement benefits are payable to eligible Directors who cease to be a Director after more than 10 years' of continuous service (or 7 years for Directors who are over age 65 at the time of retirement). The amount of the retirement benefits that Directors may be entitled to receive is equivalent to the remuneration received by the Director from the Company in the 3 years prior to ceasing to be a Director. The precise amount of such potential future payments cannot be ascertained (as they will vary depending on each eligible Director's remuneration in the period prior to retirement), but the aggregate amount of such payments in any financial year, when taken together with the aggregate amount of Elected Directors' fees paid in any year, cannot exceed the maximum aggregate amount approved from time to time by members in General Meeting.