

A letter from the Chairman

Dear Member,

It is my pleasure to invite you to the 2018 Annual General Meeting (AGM) of Credit Union Australia Limited (CUA) on Wednesday, 14 November 2018.

Rob Goudswaard, our Chief Executive Officer, and I will provide members with an overview of your company's performance for the year ended 30 June 2018 and we will update you on our strategy for 2019 and beyond.

In our 72nd year of operation, CUA remains dedicated to being a member-owned financial institution. Our organisation was created by members for members, so we do things differently to many other financial institutions. As an example, a key difference to listed banks is that CUA doesn't pay dividends to shareholders, so our profits, effort and attention are focused on contributing to the financial wellbeing of our members and the community – we do this by delivering simple products, competitive rates and great member experiences.

Our commitment to community is also a big part of what it means to be member-owned, which is why we've invested \$2.4 million into community initiatives in the past year and why our team members devoted more than 1,000 days to volunteering with community groups.

We'd very much like you to participate in the AGM and hear your views on how we can continue to be a member focussed organisation.

While there are no resolutions requiring members to vote at this year's meeting, at the close of the AGM, Appendix 4 of our Constitution will lapse. By choosing not to extend the life of Appendix 4, CUA will overcome a voter participation threshold that is no longer practical for a modern mutual of our size. This will give CUA the flexibility and agility we need to make strategic decisions about our future and move quickly if opportunities arise that would benefit our members. You can read more about this change in the Fact Sheet attached to this letter.

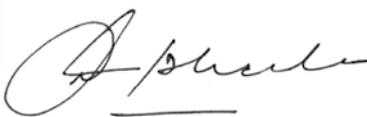
The meeting will be held in our Brisbane Head Office, Level 23, 145 Ann Street, Brisbane QLD 4000, commencing at 12.30pm (AEST). Details on how to get to the meeting are set out in this Notice of Annual General Meeting.

If you have 'opted in' to receive a hard copy of our Annual Report you will find a copy enclosed. We've also included more interactive and engaging content in this year's digital Annual Report, including videos with our members – you can view the digital Annual Report on the CUA website at cua.com.au/2018.

If you're still receiving the hard copy of the Annual Report, we'd encourage you to provide CUA with your email address to instead be notified electronically of next year's report and enjoy the additional digital content. Opting out of the hard copy reduces costs for CUA while helping the environment through saving valuable resources including paper, energy and ink.

I encourage you to attend the AGM. It is the easiest way for members to take an active interest in the management of your credit union. After the AGM you are invited to join the Board and Executive team for some light refreshments. The directors and executives of CUA look forward to seeing you on 14 November.

Yours sincerely,



Nigel Ampherlaw
Chairman
8 October 2018

2018 Notice of Annual General Meeting

Credit Union Australia Ltd (ABN 44 087 650 959)

Notice is hereby given that an Annual General Meeting (AGM) of Credit Union Australia Limited (CUA) will be held at:

Location: Level 23, 145 Ann Street
Brisbane, QLD, 4000

Date: Wednesday, 14 November 2018

Time: 12.30pm (AEST)

Items of Business

1. **Chairman and CEO Presentations**

2. **Financial Statements and Reports**

To receive and consider CUA's Financial Statements and Reports for the year ended 30 June 2018.

3. **Appointment of Directors**

- (a) To appoint Paul Bedbrook as director of CUA. His appointment will be for the period commencing at the end of this AGM until the end of the third AGM thereafter.
- (b) To appoint Kyle Loades as director of CUA. His appointment will be for the period commencing at the end of this AGM until the end of the third AGM thereafter.

NOTE: The CUA Constitution provides that where the number of candidates is equal to or less than the number of positions to be filled each candidate shall be declared elected by the Chair during the AGM.

Please refer to the attached Explanatory Notes.

By Order of the Board



Alexander Ong
Company Secretary
8 October 2018

Member Guide to Proxies

PROXIES

Any member entitled to attend the Annual General Meeting may appoint a proxy to attend the meeting for them.

A proxy does not need to be a member of CUA.

A Proxy Form and Reply Paid envelope are enclosed with this Notice of Meeting.

You can appoint a proxy to attend the meeting in accordance with the directions on the Proxy Form.

WHAT IS A PROXY?

If a member of CUA cannot attend a general meeting of members, they can appoint a person to attend on their behalf. If you are a member jointly with another person, only the 'primary joint member' can sign the Proxy Form. You are the primary member if CUA notices are addressed to you. The person appointed is called your 'proxy'.

Your proxy is entitled to ask questions at the meeting.

WHO CAN YOU APPOINT AS PROXY?

You can appoint the Chair of the meeting or any other person. That person need not be a member of CUA.

WHEN A PROXY DOES NOT APPLY

Your proxy will not apply if you personally attend the meeting. Your proxy will not apply if your proxy fails to attend the meeting.

Your proxy may not apply if you have not completed the Proxy Form correctly.

SPECIAL REQUIREMENTS - INCORPORATED BODIES AND ATTORNEYS

Where an incorporated body is giving the proxy, the Proxy Form must be completed in accordance with the requirements of that body's Constitution. If an authorised person signs the proxy on behalf of the incorporated body, the original or a certified copy of the authorisation, along with the signed Proxy Form, must be received by CUA.

If you have appointed someone else as your Attorney, your Attorney can sign the Proxy Form on your behalf provided that the original or certified copy of the Power of Attorney, along with the signed Proxy Form, is received by CUA.

WHAT TO DO NEXT

In accordance with best practice Corporate Governance for member owned institutions, CUA has outsourced the administration of our Annual General Meeting and associated communications to Link Market Services. Link has extensive experience delivering meeting services for clients in the public, private and government sectors, conducting over 600 events in the previous financial year. Link also holds an ISO27001 accreditation – the highest global standard – for its information security management systems.

Proxies may be lodged by:

- Using the Reply Paid envelope enclosed
- Posting to the Company Secretary, Credit Union Australia Limited, C/- Link Market Services, GPO Box 2537, Brisbane, QLD 4001
- Emailing to CUAproxy@linkmarketservices.com.au
- Delivery to Link Market Services Limited, Level 21, 10 Eagle Street, Brisbane QLD 4000

IMPORTANT

Proxy Forms must be received by Link Market Services Limited **no later than 12.30pm (AEST) on Monday, 12 November 2018.**

Explanatory Notes

ITEM 2: FINANCIAL STATEMENTS AND REPORTS

The Financial Reports for the year ended 30 June 2018 include the Directors' Report, Statement of Financial Performance, Statement of Financial Position, Directors' Declaration, Notes to the Financial Statements and the Independent Auditor's Report for Credit Union Australia Limited (CUA) and of the Group, being CUA and its controlled entities.

Copies of CUA's 2018 Annual Report, comprising the Year in Review and the Financial Report are available:

- online at cua.com.au/2018
- by emailing company.secretary@cua.com.au
- by calling CUA on 133 282
- at your nearest branch

ITEM 3: APPOINTMENT OF DIRECTORS

In accordance with CUA's Constitution, Paul Bedbrook and Kyle Loades retire at the conclusion of this AGM and offer themselves for re-election.

The CUA Constitution requires that all persons nominated for appointment as a director pursuant to rule 13.3 be assessed by the CUA Board to determine their fitness and propriety to act as a CUA director in accordance with the requirements of the Board's Fit & Proper Policy. Once they have been assessed as having the appropriate fitness and propriety they become 'candidates' for appointment under CUA's Constitution.

In addition, the Australian Prudential Regulatory Authority (APRA), which regulates Banks, Building Societies and Credit Unions requires the Board, through the APRA Governance Standard CPS 510, to ensure that it maintains a sound governance framework. To achieve this Standard, the CUA Board regularly reviews its composition to ensure an appropriate mix of skills, experience and knowledge to meet the good governance and strategic demands of the CUA Group.

The Board has assessed Paul Bedbrook and Kyle Loades as being fit and proper with the appropriate set of skills, experience and knowledge to act as a CUA director.

As the number of candidates is less than or equal to the number of positions to be filled, the chair shall declare each candidate elected at the AGM under paragraph A3-3(1) of Appendix 3 of the CUA Constitution.

Fact Sheet

APPENDIX 4 – CHANGES TO CUA CONSTITUTION

What is Appendix 4 of the CUA Constitution?

Currently, CUA's Constitution includes an Appendix called the Demutualisation Approval Procedure Rules. It was originally included in the Constitution for a period of two years, and has been renewed a number of times.

Under this Appendix 4, 25% of CUA members are required to participate in any vote about CUA's future structure, and 75% of those must vote in support of the resolution in order for it to be passed.

Why is CUA letting Appendix 4 lapse?

CUA has experienced considerable growth since Appendix 4 was first included in CUA's Constitution. Over time, Appendix 4 has become a barrier to CUA having the flexibility and agility we need to make strategic decisions about CUA's future and move quickly if opportunities arise that would benefit our members.

CUA's growth and success has seen us become Australia's largest credit union with more than 470,000 banking members. And while our member base continues to grow, CUA has also observed a decline in the number of members participating in the governance of the business, including voting on Constitutional matters or attending the Annual General Meeting.

Given this declining participation, it is highly unlikely we'd be able to reach the required 25% voter participation – equivalent to more than 100,000 members – if we were to have any vote on CUA's future structure.

Removing such a hurdle would give us this greater flexibility, while still protecting members' interests.

Does this mean CUA is demutualising?

No, the Board and CUA management remain committed to CUA's future as a mutual. As flagged above, these changes reflect that CUA's growth means the voter participation requirement is no longer practical and letting Appendix 4 lapse will give CUA greater flexibility and agility to make strategic decisions in the future that can help us continue to be successful and to grow.

How will CUA's mutuality be protected if Appendix 4 is no longer part of the Constitution?

CUA is Australia's largest and oldest credit union and we remain committed to mutuality and supporting members through life's changes, just as we have been doing for the past 72 years.

Our mutuality will continue to be protected, including through a Corporations Act requirement that any changes to our corporate structure must be independently verified as being in the best interests of all members. There will also continue to be a requirement that any change to CUA's structure as a company would require 75% of votes received to be in support of the resolution, in order for the resolution to be passed.

Who can I speak to for more information about this change?

We are sharing this news with our members so all our members understand what is changing in CUA's Constitution and why. We'd like to reassure our members that this decision is one which our Board and CUA management have given careful consideration. We believe removing this voter participation hurdle is in the best interests of our members and will ultimately give CUA much more flexibility as a modern mutual.

If members have any questions about this change, you can ring the information hotline on 1300 494 781

Getting There

Level 23, 145 Ann Street, Brisbane QLD 4000
Commencing at 12.30pm (AEST) on Wednesday, 14 November 2018.

The nearest station is Central Station and there are a number of bus routes that pass Central Station, King George Square and the Myer Centre.

2018 Annual Report

A copy of CUA's 2018 Annual Report for the year ended 30 June 2018 is available on CUA's website at: cua.com.au/2018



 CUA Building and meeting location

CREDIT UNION AUSTRALIA Ltd
ABN 44 087 650 959

Australian Financial Services License (AFSL)
and Australian Credit License (ACL) 238317
GPO Box 100, Brisbane, QLD 4001

P 133 282 | cua.com.au

cua

BANKING | INSURANCE

 @CUA

 @CUA_Connect

 @CUA_au

 Credit Union Australia

Proxy Form

There are no items to be decided by a vote at the 2018 Annual General Meeting. If you wish to send a proxy to attend on your behalf then please fill out this form. Please print and use a black ink pen.

APPOINTMENT OF PROXY

Use this form to appoint a proxy to attend, on your behalf, the Annual General Meeting of Credit Union Australia Ltd (the 'Meeting') to be held at Level 23, 145 Ann Street, Brisbane, on Wednesday, 14 November 2018 at 12.30pm (AEST) and at any adjournment of that Meeting.

This proxy only applies to that Meeting and must be received by 12.30pm (AEST) on Monday, 12 November 2018.

1 YOUR DETAILS

Member Name

Membership Number

2 APPOINTMENT OF PROXY (THIS SECTION MUST BE COMPLETED)

I/We being a member/s of Credit Union Australia Ltd, hereby appoint:

The Chairman of the Meeting (mark with an X)

OR

If you are NOT appointing the Chairman of the Meeting as your proxy please insert the full name of the individual or body corporate you are appointing as your proxy. Do NOT insert your own name.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my proxy to act generally at the meeting on my behalf, and at any adjournment of that meeting.

FOR THIS PROXY TO BE VALID IT MUST BE SIGNED BY YOU BELOW.

3 SIGNATURES (THIS SECTION MUST BE COMPLETED)

Individual Members:

For your Appointment of Proxy to be valid, you must sign this Proxy Form

Signature (or that of your Attorney)

Body Corporate Members:

A body corporate member must sign this Proxy Form in accordance with its Constitution

ACN

Director / Secretary / Authorised Person

Director / Secretary / Authorised Person

IT IS RECOMMENDED THAT YOU CAREFULLY READ THE MEMBER GUIDE TO PROXIES PROVIDED WITH THIS FORM PRIOR TO APPOINTING A PROXY.