

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

AGENDA

ITEM 1- Opening

- a) Chairman's welcome.
- b) Acknowledgement of Honorary Members
- c) Salutations
- d) Chairman's report

ITEM 2- Business

- a) To receive the reports of the Board of Directors, the Financial Statements and the Auditor's Report for the financial period ended 30 June 2021.
- b) To consider, and if thought fit, approve the Remuneration of Directors, as an ordinary resolution:

“That the total Director Remuneration pool is increased to \$68,000 per annum”.

- c) To receive the Declaration of the Returning Officer for the Election of Directors 2021:

As the number of candidates (2) is equal to the number of positions to be filled (2), the election process was discontinued, and each candidate may be appointed by the passing of a separate ordinary resolution:

- (ii) To consider, and if thought fit, approve the following resolution as an ordinary resolution:
“That Dr David Hassett, a Director retiring from office by rotation in accordance with clause 44 of the Constitution, being eligible, is appointed as a Director of the Co-operative.”
- (iii) To consider, and if thought fit, approve the following resolution as an ordinary resolution:
“That Mr Andrew Pavuk, a Director retiring from office by rotation in accordance with clause 44 of the Constitution, being eligible, is appointed as a Director of the Co-operative.”

- d) To consider, and if thought fit, approve the changes to the Constitution as set out in Schedule A and the Explanatory Statement by way of the following resolution as a special resolution:
“To approve the changes to the Constitution as set out in Schedule A”.

ITEM 3- Close of Meeting

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

MINUTES

- At 1:36pm the Chair addressed the meeting and advised that we were awaiting more Members to join.
- At 1:49pm the Chair addressed the meeting and advised that Members who have logged in as guests should exit and login as Members.

ITEM 1: Opening and Attendance

- **The Chair, Dr David Hassett, noted that there was a quorum of at least 25 Members present and declared the 62nd Annual General Meeting held virtually, open and welcomed all Members and guests.**

The Chair noted that for the second year we are conducting our AGM via a virtual format due to COVID-19 and thanked everyone for joining us today.

The Chair thanked Members for their patience in the delay of commencement of the meeting.

The Chair introduced Lumi, the partner assisting with the delivery of the virtual AGM and thanked them for their support.

The Chair advised attendees that if at any time they encounter issues with their remote technology connection to follow the instructions provided to them in the registration email.

The Chair reminded Members that if they logged in to this session, any pre-vote or proxy assignment is voided by their attendance and will need to vote at the appropriate time during the AGM. If the Member was watching this presentation, and did not login, any pre-vote or proxy assignment made by them will be counted and they are unable to vote during the AGM.

The meeting was officially declared open at 1:54pm

The Australian National anthem was played.

a) Agenda:

The Chairman noted that the AGM was called in accordance with the Constitution and noted that the Agenda would be taken as read and provided an overview of the proceedings.

b) Pause in memory of deceased Members and Staff:

The Chairman requested a pause to remember deceased Members and Staff.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

c) Chairman's Welcome:

The Chairman introduced the Board of Directors and Executive Management Team:

The following Directors were introduced and welcomed:

- David Hassett - Chair and Corporate Governance Committee Chair;
- Bohdan Wojewidka – Deputy Chair, Member of the Corporate Governance Committee and Member of the Audit Committee;
- Andrew Pavuk – Audit Committee Chair and Member of the Corporate Governance Committee;
- John Lipkiewicz – Risk Committee Chair and Member of the Corporate Governance Committee;
- Walentyn Mykytenko – former Board Chairman and Member of the Risk Committee and Corporate Governance Committee;
- Michael Kwas – Member of the Audit Committee and the Risk Committee; and
- David Makohon – Member of the Audit Committee and the Risk Committee.

Then Chair noted there were changes in the composition of Committees after last year's AGM for Bohdan Wojewidka and John Lipkiewicz.

The following Management Team were introduced and welcomed:

- Paul Coulson – Chief Financial Officer;
- Philip Timewell – Chief Risk Officer;
- Sonja van de Camp – Marketing & ICT Executive;
- Ivanna Bernyk – Lending & Member Services Executive; led by
- Liam Tiernan - Chief Executive Officer.

The Chair introduced David Munday, Managing Partner of Crowe Melbourne, our external auditor and thanked them for their continued service and support

The Chair introduced Faith Sullivan, Returning Officer at Computershare Investor Services and acknowledged the attendance of representatives from APRA.

d) Salutations:

Greetings received were read to the Meeting by Maria Verbovetski :

- Bishop Mykola Bychok - Ukrainian Catholic Eparchy
- Mark Tkaczuk - Ukrainian Youth Association - Federal Executive
- Halja Bryndzia - Kalyna Care
- Mykola Mowczan - Ukrainian Association of Western Australia Inc
- Juris Skabe - Australia Council of Latvian Scouts
- Jeremy Semkiw - Ukrainian Saturday School North Melbourne
- Dr. Marko Pavlyshyn – Ukrainian Studies Association of Australia and New Zealand
- Chrestyna Kmetj - Ukrainian Scouts Plast - Federal Executive
- Mark Herczaniwski - Ukrainian Youth Association CYM – Melbourne
- The Chairman played a recorded greeting from Stefan Romaniw, Australian Federation of Ukrainians in Australia.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

The Chairman acknowledged the many Community Groups and their representatives displayed on the computer screen and thanked them for their support:

- Association of Ukrainians in South Australia, Frank Fursenko, President
- Association of Ukrainians Sydney, Andrew Bilinsky, President
- Australian Federation of Ukrainians in Australia, Stefan Romaniw, Chairman
- AUV - Essendon, Slawko Kohut, President
- Kalyna Care, Halja Bryndzia, Chairperson
- Latvian Federation of Australia & New Zealand, Skaidrite Agoulevitchs, Chairperson
- Latvian Relief Society Melbourne 'Daugavas Vanagi' Inc Assoc, Janis Karklins, Chairman
- Latvian Relief Society of Australia 'Daugavas Vanagi' Inc, Janis Karklins, Chairman
- Melbourne Latvian Society School 'Daugava', Filomena Ciavarella, Treasurer
- Plast Ukrainian Scouting Organisation in Australia, Chrestyna Kmetj, Chair
- Ukrainian Association of Western Australia Inc, Mykola Mowczan, President
- Ukrainian Studies Association of Australia and New Zealand, Marko Pavlyshyn
- Ukrainian Youth Association CYM - Melbourne, Christine Verbovetski, Vice President

e) Chairman's Report and Presentation:

The Chair provided instructions on how to ask questions at the meeting.

The Chair advised that the minutes of the previous Annual General Meeting of Members held on 1 November 2020, were approved by the Board at a subsequent Board Meeting. The original minutes are tabled and there are copies of those minutes available for inspection should any Member wish to see them.

The Chair supported his address with the aid of a PowerPoint presentation displayed on screen, and noted the following:

Key Points to note for the June 2021 result:

(i) Profit before tax

- Profit before tax (PBT) was \$472k.
 - This included the following end-of-year adjustments:
 - Write-off of previously accrued project costs - \$173k.
 - Increase in the provision for staff leave and other one-off salary and wage expenses - \$79k.
 - Increase in the credit loss provision of \$83k bringing the total provision for credit loss as at June 30, 2021 to \$262k. It was explained that this amount represents probability of loans not being paid, however we remain optimistic that this balance will reduce over time and will eventually be written back into profit.
 - Increase in revaluation of Dnister's properties of \$427k.
 - As of 30 June 2021, Dnister manages:
 - Assets: \$228.4 M +\$23.2 M (+11.3%)

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

- Members deposits: \$195.9 M +\$18.3 M (+10.3%)
- Loans to members: \$166.5 M +\$15.8 M (+10.5%)
- Members Equity: \$25.5 M +\$0.9 M (+3.7%)
- The Chair presented a graph showing the Co-operative's historic PBT noting that the years with a higher PBT are those where property revaluations occurred.

(ii) Assets

- The Co-operative's financial position continued to strengthen, with total assets under management increasing by \$23.2m to \$228.4m.
- Assets have increased \$99m (77%) over the last 10 years and \$75m (49%) over the last 5 years.

(iii) Deposits

- Deposit portfolio increased by \$18.3m to \$195.9m and remains very sound.
- Deposits have increased \$90m (85%) over the last 10 years and \$64m (48%) over the last 5 years.

(iv) Loans

- Loan portfolio increased by \$15.8m to \$166.5m with continued strong loan demand.
- Loans have increased \$69m (70%) over the last 10 years, \$68m (69%) over the last 5 years and \$53m (46%) over the last 3 years.

(v) Equity

- Equity increased by \$0.9m to \$25.5m.
- Equity has increased \$8.6m (51%) over the last 10 years and \$6.0m (31%) over the past 5 years.

(vi) Liquidity

- Liquidity has reduced from 19.0% to 18.6% but still maintains a comfortable buffer over APRA's minimum liquidity holding ratio.

(vii) Capital adequacy

- Capital adequacy reduced from 21.5% to 20.7% but still maintains a comfortable buffer over APRA's minimum required level.

(viii) Regulation and compliance

- It was noted that the Co-operative continues to satisfy all regulatory and compliance requirements.
- It was noted that, whilst the support programs put in place by governments and regulators have formally ended, the scope of regulatory oversight and the frequency of reporting is still greater than pre pandemic.
- The Chair noted that considerable staff time and effort has been put into supporting Members who have requested deferrals of their loan repayments under the loan hardship scheme put in place by the regulators.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

- It was noted that Dnister is a Member-owned Authorised Deposit-taking Institution (ADI), covered by Federal Government deposit guarantee which applies to Dnister Members to the same extent and under the same conditions as for all other ADIs, being \$250,000 per Member.
- It was noted that the Board's primary responsibility is to protect the interests of Members.
- It was explained that legislation and regulation of ADIs by APRA is designed to minimise loan losses to protect the deposits used to fund those loans, not to protect the borrower.

(ix) Our mission lives

- The Co-operative's mission continued with \$380k of strong financial support, plus indirect support, for Members and their communities:
 - Member loyalty fee rebate program \$352k, (a large increase over last couple of years);
 - Schools and playgroups program \$20k;
 - Sponsorship of community events \$3k; (lower due to fewer events as a result of the pandemic)
 - Beneficiary payments by Dnister to Community Organisations participating in Dnister's Community Benefit Program and nominated by Members operating My Community Saver Accounts \$5k. (A decrease due to lowering of interest rates)
 - The Chair noted that without this support for Community Groups, the PBT would have been \$852k.
 - It was presented that in FY21, Dnister absorbed a higher amount of fees and charges due to more online banking because of the pandemic.
- It was noted that the support provided in the last twelve months brings the total support provided by Dnister over the last ten years to \$2.56 million.
- A slide with the logos of some of the Community Groups supported was displayed on screen.
- My Community Saver Accounts:
 - The Chair noted that these accounts are a great mechanism for Members to actively support their Ukrainian and Latvian community groups and that over the last 6 years, Dnister has provided \$65k to Community Groups through the program.
 - It was recognised and the Chair thanked those Community Groups who support Dnister by operating those Community Accounts and encouraging their Members to bank with Dnister for our mutual benefit, a true win-win-win.

(x) Outlook:

- The Chair reported on what he believes the current financial outlook is:
 - Whilst there is a degree of optimism as lockdowns end, the reality is that the last 21 months has been unprecedented. The short term, medium term and long term impacts on individuals, small businesses, large businesses and state, national and the global economies are not yet known.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

- Recent signs are that interest rates will not remain at their current record low levels for too much longer. Many of today's borrowers have no experience of interest rates rising with the last time the RBA increased the cash rate being 03 Nov 2010 (from 4.50% to 4.75%). This is likely to slow the rate at which our Loan book grows.
- Dnister factors in a buffer when assessing loan applications to take account of the impact of future increases when assessing a borrower's ability to repay loans. The buffer used when assessing loan serviceability was increased last month from 2.5% to 3.0%. Therefore, a borrower looking at our Simple Home Loan Product with a current rate of 2.39% would have their ability to repay calculated using the rate of 5.39%.
- Conversely, deposit rates will offer depositors a better return as interest rates rise. Dnister will continue to be cautious when assessing loans.
- The financial services industry has changed drastically in the last ten years and the pace of that change is only increasing.
- To enable Dnister to maintain itself as a strong and viable provider of services to its Members, the Board commissioned a detailed Organisational Review, in early 2019. Covid-19 has made it harder to consider and implement the recommendations of that review but the report is being used to:
 - develop a strategy for improving the range of products and services offered to Members
 - inform decisions on the best models for delivering those services such as adopting the new Geelong model in other locations
- We offer a range of Digital Banking products and if needed, our Member services team are available to assist.
- We offer a full range of Product and services.
- Dnister is financially strong, prudentially sound and committed to its Members.

Questions on the Chairman's Report:

- The Company Secretary confirmed that there were no questions from the floor on the Chairman's Report.

ITEM 2: Business

- The Chair explained that the 3 Ordinary Resolutions needed a simple majority of the votes cast to be carried and that the Special Resolution requires a 75% majority of the votes cast to be carried.
- The Chair declared a conflict of interest as he was up for re-election and handed the meeting over to the Deputy Chair.
- The Deputy Chair explained that each of the four resolutions will be displayed. Also displayed will be the pre-vote and proxy votes for each resolution in turn. An opportunity for questions for each resolution will be provided, before moving to the next resolution. Voting on all four resolutions will occur after all four resolutions have been presented and Members have had their opportunity to ask questions of the resolutions.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

a) **To receive the reports of the Board of Directors, the Financial Statements and the Auditor's Report for the financial period ended 30 June 21.**

- The Deputy Chair noted that there was no resolution required for this Item.
 - It was noted that the reports of the Board of Directors, the Financial Statements and the Auditor's Report for the financial period ended 30 June 21 were tabled and received.

Ordinary Resolutions:

b) **The Deputy Chair tabled Resolution 1:**

To consider, and if thought fit, approve the Remuneration of Directors, as an ordinary resolution:

“That the total Director Remuneration pool is to increase to \$68,000 per annum.”

The Deputy Chair advised Members that this was the total pool to be shared between all Directors, not the amount for each Director.

The Deputy Chair advised Members that Computershare Investor Services Pty Limited, had provided their declaration of Proxies held and Direct Votes registered and displayed the results as follows:

	For	Against	Abstain	Open	Total
Direct Votes	41	3	8	0	52
Proxies to Chair	8	0	1	18	27
Proxies to Others	0	0	0	1	1
Totals	49	3	9	19	80

At its October Board Meeting, the Board resolved that all proxies held by the Chair of the Meeting would be cast for the resolution:

	For	Against	Abstain	Open	Total
Direct Votes	48	3	8	0	52
Proxies to Chair	26	0	1	0	27
Proxies to Others	0	0	0	1	1
Totals	67	3	9	1	80

The Company Secretary confirmed that there were no questions from the floor regarding this resolution.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

c) To receive the Declaration of the Returning Officer for the Election of Directors 2021:

This year, there are 2 Directors who retire by rotation. Two current Directors, Dr David Hassett and Andrew Pavuk retired by rotation and renominated for a further term.

As the number of candidates (2) is equal to the number of positions to be filled (2), the election process was discontinued, and each candidate may be appointed by the passing of a separate ordinary resolution.

A slide was shown noting the declaration of the Returning Officer.

(i) The Deputy Chair tabled Resolution 2:

***To consider, and if thought fit, approve the following resolution as an ordinary resolution:
“That Dr David Hassett, a Director retiring from office by rotation in accordance with clause 44 of the Constitution, being eligible, is appointed as a Director of the Co-operative.”***

The Deputy Chair advised Members that Computershare Investor Services Pty Limited, had provided their declaration of Proxies held and Direct Votes registered and displayed the results as follows:

	For	Against	Abstain	Open	Total
Direct Votes	43	4	6	0	53
Proxies to Chair	9	0	1	17	27
Proxies to Others	0	0	0	1	1
Totals	52	4	7	18	81

At its October Board Meeting, the Board resolved that all proxies held by the Chair of the Meeting would be cast for the resolution:

	For	Against	Abstain	Open	Total
Direct Votes	43	4	6	0	53
Proxies to Chair	26	0	1	0	27
Proxies to Others	0	0	0	1	1
Totals	69	4	7	1	83

The Company Secretary confirmed that there were no questions from the floor regarding this resolution.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

(ii) Resolution 3

The Deputy Chair tabled Resolution 3:

*To consider, and if thought fit, approve the following resolution as an ordinary resolution:
“That Mr Andrew Pavuk, a Director retiring from office by rotation in accordance with clause 44 of the Constitution, being eligible, is appointed as a Director of the Co-operative.”*

The Deputy Chair advised Members that Computershare Investor Services Pty Limited, had provided their declaration of Proxies held and Direct Votes registered and displayed the results as follows:

	For	Against	Abstain	Open	Total
Direct Votes	46	3	5	0	54
Proxies to Chair	9	0	0	18	27
Proxies to Others	0	0	0	1	1
Totals	55	3	6	19	82

At its October Board Meeting, the Board resolved that all proxies held by the Chair of the Meeting would be cast for the resolution:

	For	Against	Abstain	Open	Total
Direct Votes	46	3	5	0	54
Proxies to Chair	27	0	0	0	27
Proxies to Others	0	0	0	1	1
Totals	73	3	5	1	82

The Company Secretary confirmed that there were no questions from the floor regarding this resolution.

Special Resolution:

d) The Deputy Chair tabled Resolution 4:

(iii) To consider, and if thought fit, approve the changes to the Constitution as set out in Schedule A and the Explanatory Statement by way of the following resolution as a special resolution:

“To approve the changes to the Constitution as set out in Schedule A.”

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

A slide of the Explanatory Statement Summary which was sent out to Members was displayed.

The Deputy Chair explained that the changes fall into three categories and most of them relate to the Bank Executive Accountability Regime (BEAR).

1. The BEAR legislation requires all Directors (and senior management) of organisations such as Dnister to satisfy the APRA's requirements before they are appointed. BEAR grants the regulator a period of 14 days from receiving paperwork on prospective Directors in which to raise concerns or refuse to accept a nominee as an Accountable Person under BEAR. To accommodate the authority of APRA to review, and potentially reject, prospective Directors, the following changes have been proposed regarding the appointment of Directors and the associated timetable for the election of Directors.
2. A change to reflect that an Act of Parliament referenced by Dnister's Constitution has been updated and to reflect the new version of the Act in Dnister's Constitution.
3. Relates to the Remuneration of Directors. The current clause states that the pool approved by the Members at an AGM is inclusive of legislated Superannuation Guarantee Contributions. This is not standard practice. The standard wording defines the pool as being for the remuneration paid to Directors plus any legislated SGC amounts.

The Deputy Chair explained that voting is for all resolutions, not for each individual resolution.

The Deputy Chair advised Members that Computershare Investor Services Pty Limited, had provided their declaration of Proxies held and Direct Votes registered and displayed the results as follows:

	For	Against	Abstain	Open	Total
Direct Votes	39	4	9	0	52
Proxies to Chair	9	0	0	18	27
Proxies to Others	0	0	0	1	1
Totals	48	4	9	19	80

At its October Board Meeting, the Board resolved that all proxies held by the Chair of the Meeting would be cast for the resolution:

	For	Against	Abstain	Open	Total
Direct Votes	39	4	9	0	52
Proxies to Chair	27	0	0	0	27
Proxies to Others	0	0	0	1	1
Totals	66	4	9	1	80

The Company Secretary confirmed that there were no questions from the floor regarding this resolution.

Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

The 4 resolutions for consideration were displayed on screen and voting was opened. It was noted that the Chair will advise the closure time for voting.

Once voting has been closed, the appointed Returning Officer will reconcile votes cast and proxies assigned before the meeting with attendance at this virtual AGM together with votes just recorded during this meeting. The results of these resolutions will be published on the Dnister website by noon, 8 November 2021.

The Deputy Chair handed the meeting back to the Chair.

Voting commenced at 2:47pm and will remain open until 3:15pm.

The Chair re-iterated that the report on the results of the Resolutions put to the Meeting will be provided on Dnister's website by noon, 8 November with the result not able to be declared at the Meeting.

The Chair stated that Members could help Dnister grow and prosper by making it their main financial provider for all financial needs and encouraged them to contact Dnister by visiting a branch or calling Member Services.

Thank You

- The Chair thanked all Members and acknowledged all staff, past and present, for their ongoing contribution and service to Members in very difficult times.
- The Chair advised that our CEO, Liam Tiernan had resigned and that he will be leaving Dnister on 31 January 2022.
 - A slide was presented showing the growth in Dnister's Assets, Deposits, Loans and Equity over his tenure and notes that this was a credit to both him and his staff.
 - It was noted that the Board has formed a recruitment sub-committee. They have spoken to several executive recruitment firms and Sharp & Carter has been appointed to oversee the recruitment of Liam's replacement.
 - The Chair, On behalf of the Directors, our staff and our Members, thanked Liam for all he has done for Dnister, and wish Liam and his family our sincere best wishes for this next stage of their lives.
- Liam addressed AGM :

Directors, management, staff, distinguished guests, Members, ladies and gentlemen: I have thoroughly enjoyed my time in the CEO role over the last 9+ years, however, I feel now is the right time for me to reassess my priorities so I can spend more time with family. It's been my privilege to hold the role of CEO with Dnister and I will be forever grateful to have had this opportunity with such a wonderful organisation and an amazing community. Together we have achieved significant growth and improvements, so much that has moved the Co-operative forwards.

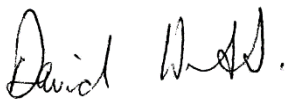
Minutes of the 62nd Annual General Meeting
of Dnister Ukrainian Credit Co-operative Ltd.
held using virtual technology on Sunday, 7th November 2021

I would like to acknowledge the guidance provided to me by the Board and the support provided to me by the Executive, Management and staff.
All my very best wishes to staff, the Board, Dnister, and the community.
Thank you.

ITEM 3: Close of Meeting

The meeting was concluded with the playing of the Latvian and the Ukrainian national anthems.

There being no further business, the meeting closed at 2.59pm.

Chair: 

Minutes: 

Dated: 30 November 2021

CEO: 