

2021

Australian Military Bank Ltd Notice of Annual General Meeting



**Australian
Military Bank**

Notice is given that the 62nd Annual General Meeting (AGM or meeting) of Australian Military Bank Ltd ABN 48 087 649 741 will be held on:

Wednesday > 24 November 2021 > 4.00pm (AEDT)

Online via live audiocast.

To join the meeting, participate and vote by proxy, please visit:
australianmilitarybank.com.au/agm2021

Our Purpose

Our members are our mission.



Our Vision

The leading choice in banking for the Defence Community.



Our Values

Member First.

**Display Moral
Courage**

**Earn Admiration
and Trust**

**Demonstrate
the Highest
Standards**





2021 Notice of Annual General Meeting

Notice is given that the 62nd Annual General Meeting (**AGM** or **meeting**) of Australian Military Bank Ltd ABN 48 087 649 741 (**Bank** or **AMB**) will be held on **Wednesday, 24 November 2021** at **4.00pm (AEDT)** at Level 18, 45 Clarence Street, Sydney, New South Wales, 2000.

We are acutely aware of the circumstances resulting from COVID-19 and therefore, the health and wellbeing of our members and employees is paramount. With this in mind, the AGM will be held virtually for all members, through Link Market Services, our registry services provider. The Directors may attend in person, if they are permitted and can do so in a safe manner.

We strongly encourage all members, if you wish to actively engage, to do so through the virtual facility. If you do not wish to attend virtually, then we encourage you to vote by proxy by following the instructions set out in this Notice of Meeting and the enclosed proxy form.

You are able to participate in the meeting by:

- **Joining the live audiocast, which allows you to ask questions and vote during the meeting, via the link: <https://meetings.linkgroup.com/AMB21>; or**
- **Lodging your direct vote online or appointing a proxy to vote on your behalf, via the online platform;**
- **Submitting your questions online prior to the meeting.**

All questions should be relevant to the business of the meeting, including matters arising from the Annual Report and general questions about the performance of the Bank.

Further information on how to participate in the meeting is set out at the end of the Explanatory Memorandum accompanying, and forming part of this Notice of Meeting.

Agenda

1 | Chairman and CEO's address

2 | Minutes

To consider the minutes of the 61st Annual General Meeting held on 28 October 2020.

3 | Financial statements and reports

To receive and consider the Bank's Financial Report, Directors' Report and the Auditor's Report for the period ended 30 June 2021.

4 | Resolution 1. Directors' remuneration

To consider, and if thought fit, pass the following as an ordinary resolution:

That the maximum aggregate remuneration of elected Directors be set at \$465,426.00 per financial year commencing in the current financial year ending 30 June 2022.

5 | Resolution 2a. Re-election of John Brooks

To consider and if thought fit to pass the following resolution as an ordinary resolution:

That John Brooks be re-elected as a Non-Executive Director of the Bank.



Resolution 2b. Re-election of Michael Crane

To consider and if thought fit to pass the following resolution as an ordinary resolution:

That Michael Crane be re-elected as a Non-Executive Director of the Bank.

Resolution 2c. Election of Sean FitzGerald

To consider and if thought fit to pass the following resolution as an ordinary resolution:

That Sean FitzGerald, be elected as a Non-Executive Director of the Bank.

5 | Resolution 3. Amendments to the Bank's Constitution

To consider, and if thought fit, pass the following resolution as a special resolution:

That the Bank's Constitution be amended as marked-up in the copy of the Constitution which is tabled at the Annual General Meeting and signed by the Chair of the Meeting for the purposes of identification.

The proposed amendments to the Bank's Constitution are described in the Explanatory Notes to this Notice. A copy of the Constitution marked-up with the proposed amendments is available on the Bank's website at australianmilitarybank.com.au/AGM2021. Alternatively, members can request a copy by emailing the Company Secretary at companysecretary@australianmilitarybank.com.au.

Voting by Proxy

If you are unable to attend the virtual meeting and wish to vote, you can appoint a proxy to participate in and vote at the meeting on your behalf by completing and lodging a proxy form online at australianmilitarybank.com.au/agm2021 **4.00pm (AEDT)** on **Monday, 22 November 2021**. The proxy does not need to be a member of the Bank.

By Order of the Board

Stephanie Vass

Company Secretary

October 2021



EXPLANATORY NOTES

The Explanatory Notes that follow provide important information regarding the items of business to be considered at the AGM. The Explanatory Notes forms part of and should be read in conjunction with the Notice of Meeting.

Your vote is important. By voting, you are involved in the future of our Bank.

Minutes

While this item does not require a formal resolution to be put to the meeting, members will be given an opportunity to consider and note matters contained within the minutes of the 2020 AGM held on 28 October 2020. The draft minutes are available at australianmilitarybank.com.au/agm2021.

Financial statements and reports

Section 317 of the Corporations Act 2001 requires that the Financial Report, Directors' Report and the Auditor's Report be presented at the AGM. Neither the Corporations Act 2001 nor the Bank's Constitution requires a vote at the AGM to adopt such reports. However, the Directors believe that asking members to receive and consider these reports at the meeting is an important way to engage with members on important issues affecting the Bank. A copy of the 2021 Annual Financial Report (containing the financial statements and reports) is available at australianmilitarybank.com.au/agm2021.

Resolution 1. Directors' Remuneration

Rule 17.1 of the Bank's Constitution limits the maximum remuneration that can be paid to elected Directors (those Directors elected by members or appointed by the board to fill a casual vacancy) in any financial year to such amount as has been approved by members in the general meeting.

Agenda item 4 is to approve the amount of \$465,426.00 as total remuneration for elected Directors, an increase of 1.6% on the amount approved at the 2020 AGM. This maximum amount of remuneration will apply per financial year commencing in the current financial year ending 30 June 2022, until such time as a different amount is approved by members.

The Board will allocate the aggregate remuneration among the elected Directors.

The Board recommends unanimously that the members vote in favour of the resolution.

Resolution 2. Election of Directors

It is duly noted that each of the potential Directors put forward under Resolutions 2a, 2b and 2c have been nominated for appointment and have passed the tests required for fitness and propriety under the Bank's Fit & Proper Policy.

It is further duly noted due to the number of nominations received being equal to the number of Director positions to be filled, the election process was discontinued and members will vote to appoint each potential Director by separate resolution at the AGM. The term of each potential Director will be in accordance with Rule 13.5 of the Constitution.



Resolution 2a. Re-election of John Brooks

Non-Executive Director since August 2000

John Brooks is an existing Director of the Bank.

John is currently Chairman of the Bank, having been unanimously elected Chairman by the Board in 2018.

John has extensive experience as a Director of the Bank, and has been ensuring that the Bank navigates its way through the challenging COVID-19 pandemic.

John is a retired RAAF Officer with 28 years' service and was the owner of a customer facing business for 14 years since retirement.

He is a graduate of the RAF Staff College in the UK and the Australian Defence College. He also has extensive training and experience in all aspects of the management of mutual financial enterprises. He understands that as a mutual the culture of the Bank must place members first.

John has an interest in resolution 2a and refrains from making any recommendation as to how members should vote on Resolution 2a.

The Bank's remaining Directors recommend that members vote in favour of Resolution 2a, to re-elect John Brooks as a Director in accordance Rule 13.3 of the Bank's Constitution.

The Company Secretary intends to vote all undirected proxies in favour of Resolution 2a.



Resolution 2b. Re-election of Michael Crane

Non-Executive Director since July 2018

Michael Crane is an existing Director of the Bank and is currently the Chair of the Culture and Remuneration Committee.

Michael Crane is a consultant and company director, and is active as a volunteer in the not-for-profit sector. He is a member of the Serco Asia Pacific Advisory Board, President of the United Services Institute of the Australian Capital Territory, Chairman of the ACT Branch of the Order of Australia Association, and a director on the Board of the Order of Australia Association.

Michael holds a Bachelor of Science (Honours), a Graduate Diploma in Defence Studies and a Master of Arts in Strategic Studies. He is a graduate of the Mt Eliza Business School General Management Program and the Harvard Club of Australia Leadership.

Prior to his current roles, Michael served as a full-time officer in the Australian Army for more than 37 years, reaching the rank of Major General. He saw operational service in East Timor and the Middle East. He continues to serve on a part-time basis.

Michael has an interest in resolution 2b and refrains from making any recommendation as to how members should vote on Resolution 2b.

The Bank's remaining Directors recommend that members vote in favour of Resolution 2b, to re-elect Michael Crane as a Director in accordance Rule 13.3 of the Bank's Constitution.

The Chairman intends to vote all undirected proxies in favour of Resolution 2b.



Resolution 2c. Election of Sean FitzGerald

Non-Executive Director since May 2018

Sean FitzGerald is an existing Director of the Bank. He was appointed by the Board as a Director in May 2018 under Rule 13.1 of the Bank's Constitution and is currently the Chair of the Audit Committee.

Sean holds a Certificate IV in Finance and Mortgage Broking, a Diploma in Finance and Mortgage Broking and a Diploma in Financial Services. Sean is a Member of the Australian Institute of Company Directors and the Mortgage Finance Association Australia (MFAA).

Sean has held a variety of roles over his 20-year banking career across three major banks and two member owned banks. Most recently, Sean was the General Manager of Retail Banking and Distribution for P&N Bank, WA's largest member-owned bank. Sean's responsibilities cover the retail branches, contact centre, broker channel, commercial finance portfolio, mobile bankers, collections and financial planning. Prior to P&N Bank, Sean was the State General Manager for Retail Banking for Western Australia, South Australia and the Northern Territory for the National Australia Bank ('NAB').

Sean has an interest in resolution 2c and refrains from making any recommendation as to how members should vote on Resolution 2c.

The Bank's remaining Directors recommend that members vote in favour of Resolution 2c, to elect Sean FitzGerald as a Director in accordance Rule 13.3 of the Bank's Constitution.

The Chairman intends to vote all undirected proxies in favour of Resolution 2c.

Resolution 3. Amend the Constitution

The proposed special resolution seeks to amend the Bank's Constitution as set out below in subparagraphs (a) to (e).

To be passed this special resolution requires the approval of at least 75% of the votes validly cast by members.

The Board unanimously supports this special resolution and encourages members to vote in favour of the resolution at the AGM.

(a) Inactive and/or dormant accounts and memberships sought by misrepresentation

The proposed amendment seeks to amend Rule 4 of the Bank's Constitution to simplify the process around termination of membership due to inactive and/or dormant accounts and memberships sought by misrepresentation.

This aims to ensure that requests to close a membership can be actioned more efficiently for the Bank's members, while also reducing the risk of cyber-crime through the creation of fraudulent memberships.

Over recent months, the Bank has observed a number of memberships which have been dormant or inactive. The Bank has also observed an increase in new memberships and accounts opened online without appropriate authority to act which places the Bank at a heightened risk of fraud.

(b) Redemption of member shares

The Bank seeks to clarify the circumstances in which a member share can be redeemed by amending Rule 4 and Appendix 3 of the Bank's Constitution.



The purpose of these amendments is to consolidate existing redemption provisions in the Bank's Constitution, and clarify the circumstances in which the Bank is or is not required to provide notice prior to redemption. The changes also provide updated methods of payment on redemption, to ensure eligible members receive their funds quickly and efficiently.

The amendments also correspond with the changes set out in paragraph (a), allowing the Bank to simplify the process around termination of membership due to inactive and/or dormant accounts and memberships sought by misrepresentation.

(c) Subscription Price

The price of a Bank share ('Subscription Price') is recommended to be changed from \$2.00 to \$0.01 (deemed paid). The current 'paid share' structure creates significant work when opening and closing memberships while not adding tangible value to the Bank. For example, the Bank completes a manual process where it pays for member shares for memberships opened online, increasing operating costs and effort that detract from existing member focus.

The respective amendments are to Rule 5 and Appendix 3 of the Bank's Constitution.

This will again aim to improve the speed and efficiency with which the Bank can respond to members when opening and closing memberships.

(d) Delegation of Board powers

The proposed amendments to Rule 3 and Rule 4 of the Bank's Constitution aim to streamline the account management process.

The amendments will allow the Bank to approve actions and/or automate processes by delegating certain 'account closing' functions to Bank management and key operational staff in a timely manner on each occasion. The Bank intends to align these 'account closing' delegation functions with the existing 'account opening' delegation functions set out in the Bank's Constitution.

This amendment further aims to improve the process in which memberships that are inactive and/or dormant, and memberships obtained by misrepresentation are terminated. This amendment should facilitate faster closure of potentially fraudulent member's accounts and greater responsiveness in stopping ongoing fees where accounts are no longer active.

(e) Formatting and minor changes

As a number of provisions have been included and removed in the proposed amendments to the Bank's Constitution, the corresponding definitions must be updated and/or removed. The proposed amendments to the Bank's Constitution also seek to update the format of the Constitution, and include minor clarifications and grammatical corrections.



INSTRUCTIONS - HOW TO PARTICIPATE

ONLINE AT THE MEETING

The Bank's AGM will be held virtually for all members. We encourage all members and proxyholders to participate in the AGM via the online platform.

Live Audiocast and Online Questions and Voting

You or your proxyholder may listen to the live audiocast of the AGM via the online platform at australianmilitarybank.com.au/agm2021, which also allows you to ask questions and vote during the meeting. To do this, you will:

1. Need a desktop or mobile / tablet device with internet access;
2. Need your membership to be verified. You can do this by logging in 10 minutes before the 4.00pm (AEDT) commencement time and inserting your member details and PIN.

Following login you will be provided details on how to vote and ask questions during the meeting.

A step-by-step guide on how to use the online platform titled Virtual Facility AGM Online Portal can be downloaded at australianmilitarybank.com.au/agm2021.

PRIOR TO THE MEETING

Direct Voting - you may lodge your direct vote online at least 48 hours prior to the meeting; or

Proxy - you may appoint a proxy to participate in the meeting and vote on your behalf by lodging your completed proxy form online at least 48 hours prior to the meeting. Your proxy need not be a member of the Bank; or

Question Form - you may submit questions and comments prior to the meeting by completing the question form and submitting it online 4 business days prior the meeting. While we may not be able to respond to each question individually, we will endeavour to respond to as many of the more commonly asked questions relevant to the business of the meeting during the meeting.

To ensure all members have an opportunity to ask questions during the meeting, members are requested to observe the following requests:

- All questions should be stated clearly and be relevant to the business of the meeting, including matters arising from the Annual Report, Directors' Report, Auditor's Report and the performance of the Bank;
- Members should not ask questions at the meeting relating to any matters regarding fees, products or services in general or that are personal to the member.

If your questions are personal in nature, please direct them to our Member Service Centre on 1300 132 328.



To do any of the above prior to the meeting:

1. Go to: australianmilitarybank.com.au/agm2021

2. To login, you will need to:

- enter your member number;
- enter your PIN; and
- correctly fill out the security box.

3. Then, follow the prompts to vote, to appoint a proxy or to complete a question form.

IMPORTANT CLOSING DATES:

- Online Direct Voting and Proxy Appointments - **4.00pm AEDT on Monday, 22 November 2021.**
- Online Question Forms - **5.00pm AEDT on Thursday, 18 November 2021.**

For enquiries: australianmilitarybank.com.au/agm2021.

For any online or proxy enquiries, please contact Link Market Services on [1300 554 474](tel:1300554474).



Australian
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