

Date:	Wednesday, 30 October 2019 @ 1700
Board Attendees:	John Brooks (Chair) Jodie Hampshire (Deputy Chair) Michael Crane Sean FitzGerald Jonathan Sadleir Bruce Scott John Ford (CEO & Company Secretary)
Member Attendees:	Mansur Ahmed, Jesse Alan, Fazila Ali, Beth Anschaw, David Azzi, Maris Azzi, Richard Baldry, Rabindra Banerjee, Chelsea Bates, Jennifer Bognar, Andrew Brown, Matthew Craig, Bruce Da Silva, Joa De Wet, Aniket Deshkar, Mary-Anne Do, Claudia Gana, Bernadette Gates, Michael Grau-Veliz, Christine Hallows, Enis Huseyin, Gordon Jayasingha, James Kenya, Dong Kim, Sushil Kumar, Oscar Kwok, Karen Leung, Catherine Lewis, Casey Lu, Sarah McClure, Kirsty Maher, Sam Mai, Savitha Mariyappa, Ian Masters, Kevin Middleton, Andrew Moebus, Patricia Monteith, Kaveen Narsey, Anne Nelson, Kensel Olandres, Gulay Oz, Tania Pace, Ivan Podolsky, Monica Rafoo, Gowhar Rezvi, John Rubinchtein, Joe Serrao, Michael Siddons, Fiona Tennant, Stacey Toon, Claudine Wakim, Justine Ward, Joseph Wehbe, Barbara Wood, Tristan Wright, Rami Yomtob
Observers:	Brendan Twining & Quang Dang, KPMG
Apologies:	Alan Bardwell, Director Mark Bengtsson, Legal Advisor

The meeting opened at 17.01.

The Chairman welcomed members and acknowledged that he had been advised by the Company Secretary that a quorum of members was present.

The Chairman introduced those sitting at the top table and also acknowledged the presence of KPMG, Australian Military Bank's current external auditors.

The Chairman called for apologies and advised that he had received apologies from Alan Bardwell, Director and Mark Bengtsson, Legal Advisor. There were no further apologies.

The Chairman called on the CEO, John Ford, to provide a brief presentation to members on the Bank's history in recognition of its 60th Anniversary.

After the presentation, the CEO advised this would be his last AGM as CEO and acknowledged and thanked the directors, staff and members for their support during his 7 year term.

The Chairman advised attendees that upon their arrival they would have received copies of the following documents and asked those who did not receive copies and would like one to raise their hands.

- a) Agenda / Notice of Meeting
- b) Minutes of 59th AGM held in November last year.
- c) Annual Report containing:
 - Directors' Report
 - Statement of Financial Performance and Auditors Report for Year Ending 30 June 2019.

The Chairman advised the meeting that proxies had been received and asked whether anyone else held proxies which no one did.

AGENDA ITEM 1 – CONFIRMATION OF MINUTES

The first item of business was confirmation, by a show of hands, of the minutes from the last AGM.

MOTION: That the minutes of the 59th Annual General Meeting held on 29 November 2018, copies of which were available to members present, be confirmed as presented.

MOVER: Andrew Brown

SECONDER: Gulay Oz

There being no business arising or questions from the last AGM, the Chairman put the minutes to a vote.

MOTION CARRIED UNANIMOUSLY.

ACTION: The Chairman of the Board and Mr John Ford, CEO, signed off the 2018 AGM Minutes.

AGENDA ITEM 2 – FINANCIAL STATEMENTS & REPORTS

MOTION: To receive and adopt the Bank's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2019.

MOVER: Bruce Scott

SECONDER: Kirsty Maher

The Chairman addressed the meeting as follows:

"It is my pleasure to provide you with this report on our 60th year of operation. I have included a comprehensive address in the Annual Report, if you would like to read the detail of what has been another consistent performance by your Bank.

The last year has been difficult for the mutual banking sector with the number of institutions in the sector continuing to decline. Margins have been under pressure through lower interest rates and the economy has slowed. Yet, Australian Military Bank has robustly managed those headwinds thanks to our decision to act decisively and early compared to other Mutuals to invest in modern and open banking technology. The Board expected this investment to positively influence our efficiency and to lower the cost of operations and it has.

By embracing change, rather than simply declining into obsolescence, your Bank has been able to continue to support the Defence Community through sponsorships, donations and support for charitable causes. Unlike some of the banks called before the Hayne Royal Commission, Australian Military Bank has not been compromised by greed, conflicts of interest and the drive for more and more profit. As a member owned Bank, the Board seeks to make decisions based on the longer-term interests of our members.

Your Bank has not reached its 60th year of operation without significant contributions and support from many individuals and organisations. While the full list of acknowledgements is contained in the Annual Report, I would like to thank management and staff for your dedication to serving our members and for your drive to be a more agile and responsive organisation. I would like to especially thank our departing CEO, John Ford, for his 7 years of dedicated service and wish him well for the next phase of his career.

Finally, I would like to thank the members of Australian Military Bank. The Board looks forward to serving you into the future as a business driven by values and not just profit."

The Chairman sought questions regarding the reports.

There being no questions, the Chairman put the minutes to a vote by show of hands.

MOTION CARRIED UNANIMOUSLY.**AGENDA ITEM 3 – AMEND THE CONSTITUTION**

The Chairman advised that there were 45 undirected proxies received in his name which would be voted in favour of the resolution.

The Chairman introduced the special resolution which was in two parts and sought to amend the Bank's Constitution as follows:

(a) Add a process to facilitate the issue of Mutual Capital Instruments (MCIs) under the Treasury Laws Amendment (Mutual Reforms) Act 2019

The Chairman addressed the meeting as follows:

“Earlier this year the Government, with the support of the Opposition, passed legislation to make it easier for credit unions and mutual banks to raise capital. Historically, the mutual sector has been at a significant disadvantage to the Big Banks in raising capital, because we have been mostly limited to growing by retained profits. The proposed amendment to the Constitution of Australian Military Bank will allow the Board to take advantage of this positive legislative change, if at some future point, it decides it is beneficial for members to do so.”

The Chairman paused to welcome Melina Morrison, CEO of the Business Council of Co-Operatives and Mutuals (BCCM).

The Chairman then introduced the second part of the special resolution

(b) Increase the number of directors that may be Board appointed

Currently, the Board is able to appoint up to two directors. The proposal here is to increase this to three. This should give the Bank the added flexibility to ensure that we have the right skill set. However, acknowledging the importance of maintaining a member focus and as determined by Division 13 of our Constitution, the Bank will maintain that a majority of Directors are to be elected by members.

Motion: That the Bank's Constitution be amended to:

- Add a process to facilitate the issue of Mutual Capital Instruments (MCIs) under the Treasury Laws Amendment (Mutual Reforms) Act 2019;

AND

- That the Bank's Constitution be amended to increase the number of directors that may be Board appointed.

MOVER: Jodie Hampshire

SECONDER: Andrew Moebus

The Chairman sought questions regarding the motion. There were no questions.

The Chairman put the motion to a vote.

272 proxy votes had been received of which 233 directed the proxy holder how to vote. Of these, there were 170 for the motion, 57 against and 6 abstaining.

There were 38 members in attendance who voted in favour of the motion and nil voted against the motion.

MOTION CARRIED.

AGENDA ITEM 4 – DIRECTOR APPOINTMENTS

The Chairman introduced the two directors up for election/re-election.

Jodie Hampshire is currently filling a casual vacancy position on the Board, whilst Bruce Scott is an existing director of the Bank. In accordance with the Bank's Constitution, the term of office for these directors concludes at the end of the 2019 Annual General Meeting.

Due to the number of nominations received being equal to the number of positions to be filled, the election process was discontinued, and members will now vote to appoint each Director by separate ordinary resolution.

Motion: That Jodie Hampshire, who is eligible in accordance with the Bank's Constitution, be appointed as a director of Australian Military Bank for a term ending at the conclusion of the AGM in 2022.

MOVER: Bernadette Gates

SECONDER: Michael Crane

278 proxy votes had been received of which 234 directed the proxy holder how to vote. Of these, there were 193 for the motion and 39 against.

The Chairman put the motion to a vote.

There were 42 members in attendance who voted in favour of the motion and nil voted against the motion.

MOTION CARRIED.

The Chairman congratulated Jodie Hampshire upon her appointment as director.

Motion: That Bruce Scott, who retired by rotation in accordance with the Bank's Constitution and being eligible, be reappointed as a director of Australian Military Bank for a term ending at the conclusion of the AGM in 2022.

MOVER: Sushil Kumar

SECONDER: Michael Grau-Veliz

278 proxy votes had been received of which 232 directed the proxy holder how to vote. Of these, there were 176 for the motion, 54 against and 2 abstaining.

The Chairman put the motion to a vote.

There were 42 members in attendance who voted in favour of the motion and nil voted against the motion.

MOTION CARRIED.

The Chairman congratulated Bruce Scott upon his reappointment as director.

AGENDA ITEM 5 – DIRECTORS' REMUNERATION

The Chairman confirmed that 44 undirected proxies were received in his name and that he had voted the undirected proxies in favour of the resolution.

The Chairman called on Mr Sean FitzGerald, Chair of the Bank's Remuneration Committee, who addressed the meeting as follows:

“The roles and responsibilities of a director for a financial institution have evolved and changed over the last 2 years which have been driven by the regulatory authorities. Increased levels of accountability and responsibility have also changed and evolved post the Hayne Royal Commission. Regulators and business needs are changing the skills, experience, background and qualifications expected of a director.

Australian Military Bank’s Board remuneration has been reviewed and compared to 14 other mutual banks and credit unions in Australia; seven of these were larger and six were smaller. Comparing relatively sized mutual banks with similar balance sheets, AMB’s Board remuneration is on average 10-15% lower than these mutual banks. This increase is proposed to keep pace with other mutual banks.

The proposed increase is primarily to increase the pool of funds to attract future directors that have the necessary skills and abilities to compliment the Board and meet the expectations of regulators.

Lastly the increase enables the AMB Board to appoint the best possible director at the time to best represent you, our members.”

Motion: That the maximum aggregate remuneration of elected directors be set at \$448,235 per financial year commencing with the financial year ending 30 June 2020.

MOVER: Gulay Oz

SECONDER: Bernadette Gates

269 proxy votes had been received of which 234 directed the proxy holder how to vote. Of these, there were 115 for the motion, 110 against and 9 abstaining.

There were 37 members in attendance who voted in favour of the motion and 1 voted against the motion.

MOTION CARRIED.

Meeting Concluded:

The Chairman noted that all the business set out in the notice of meeting had been conducted and that no other item of business has been raised.

He thanked the meeting participants for their co-operation and contributions in dealing with each item of business.

The Chairman invited those attending to stay for refreshments which would be served after the meeting.

There being no further business, the Chairman closed the meeting at 17.23.

CHAIRMAN

SECRETARY