

Australian Military Bank Limited
Notice of Annual General Meeting 2023

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Our Purpose

Our members are our mission.

Our Vision

The leading choice in banking for the Defence Community.

Our Values

Members First.
Placing members at the centre of every decision we make.



Members First

Placing members at the centre of every decision we make.



Earn Admiration and Trust

Doing what we say to instil trust and demonstrate reliability.



Display Moral Courage

Having the strength of character to align words and actions to say and do what is right.



Demonstrate the Highest Standards

Striving each day to be the best we can be and deliver quality in our work.





Notice of Annual General Meeting 2023

Notice is given that the 64th Annual General Meeting of Australian Military Bank Limited ('Bank') ABN 48 087 649 741 will be held on Wednesday, 29 November 2023 at 4:00pm (AEDT) at Level 1, 1 Bligh Street, Sydney, NSW 2000 and by live audio cast on the online platform accessible at australianmilitarybank.com.au/agm2023.

The Annual General Meeting will be held as a hybrid event to provide Members with alternative ways to attend and participate.

The Board welcomes Members who wish to attend in person to do so at the Bank's new Head Office, located at Level 1, 1 Bligh Street, Sydney. Members who would prefer to participate virtually may do so via the live audio cast. If you do not wish to attend in person or virtually, we encourage you to vote online or to appoint a proxy to vote on your behalf by following the instructions in this Notice of Annual General Meeting and the enclosed proxy form.

You can participate in the meeting by:

- Attending in person, which will allow you to ask questions and vote during the meeting;
- Joining the live audio cast, which will allow you to ask questions and vote during the meeting via the link australianmilitarybank.com.au/agm2023;
- Lodging your direct vote online or by appointing a proxy to vote on your behalf before the meeting via the link australianmilitarybank.com.au/agm2023;
- Submitting a question online at least four business days prior to the meeting via the link at australianmilitarybank.com.au/agm2023.

Questions must 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 in the Explanatory Notes accompanying and forming part of this Notice of Annual General Meeting.





Agenda

1. Chair and CEO Addresses

2. Minutes

To consider the minutes of the 63rd Annual General Meeting held on 23 November 2022.

3. Financial Statements and Reports

To receive and consider the Bank's Financial Report, Directors' Report, and the Auditor's Report for the financial year ended 30 June 2023.

4. Resolution 1 – Directors' Remuneration

To consider and, if thought fit, to pass the following as an Ordinary Resolution:

"That, the maximum aggregate remuneration of Elected Directors be set at \$503,490 per financial year commencing in the current financial year ending 30 June 2024."

5. Resolution 2 – Adoption of a New Constitution

To consider and, if thought fit, to pass the following as a Special Resolution:

"That, for the purposes of section 136 of the *Corporations Act 2001* (Cth) and all other purposes, the Current Constitution of Australian Military Bank Limited be repealed and replaced with the proposed New Constitution of Australian Military Bank Limited, as tabled at the meeting and signed by the Chair of the meeting for identification purposes, with effect from the close of the meeting."

The differences between the Bank's Current Constitution and the proposed New Constitution are described in the Explanatory Notes accompanying this Notice. A copy of the Current Constitution marked up with the proposed amendments and a copy of the proposed New Constitution are available on the Bank's website at australianmilitarybank.com.au/agm2023. Alternatively, members can request copies by emailing the Company Secretary at companysecretary@australianmilitarybank.com.au.

Voting by Proxy

If you are unable to attend the meeting and wish to vote, you can vote online or appoint a proxy to vote at the meeting on your behalf by voting or completing a proxy form at australianmilitarybank.com.au/agm2023 by 4.00pm (AEDT) on Monday, 27 November 2023. The proxy does not need to be a Member of the Bank.

By Order of the Board

Nick Parkin
Company Secretary
27 October 2023





Explanatory Notes

These Explanatory Notes provide important information regarding the items of business to be considered at the Annual General Meeting. They form part of the Notice of Annual General Meeting and should be read in conjunction with it.

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

Agenda Item 2 - Minutes

This agenda item does not require a formal resolution to be put to the meeting. Members are given the opportunity to consider the minutes of the 2022 Annual General Meeting held on 23 November 2022, which are available at:

australianmilitarybank.com.au/agm2023.

Agenda Item 3 - Financial Statements and Reports

Section 317 of the *Corporations Act 2001* (Cth) ('Corporations Act') requires that the Financial Report, Directors' Report, and the Auditor's Report be presented at the Annual General Meeting.

Neither the Corporations Act nor the Bank's Constitution requires that Members vote to adopt these reports. However, the Directors believe that asking Members to receive and consider these reports at the meeting is an important way to engage them on important issues affecting the Bank.

A copy of the 2023 Annual Report (containing the Financial Report, Directors' Report, and the Auditor's Report) is available at:

australianmilitarybank.com.au/agm2023.

Agenda Item 4 - 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 an amount approved by Members at the General Meeting.

The resolution included in Agenda Item 4 seeks approval for the amount of \$503,490 as total remuneration for Elected Directors, representing an increase of 4% on the aggregate remuneration approved at the 2022 Annual General Meeting.

The 4% increase comprises a 0.5% increase to the superannuation payable to Elected Directors to reflect

the increase in the Superannuation Guarantee from 10.5% to 11% that took effect on 1 July 2023 and an increase of 3.5% to reflect a portion of recent consumer price index increases.

Subject to Member approval, this new total remuneration figure for Elected Directors will apply each financial year commencing in the current financial year ending 30 June 2024 and until such time as Members approve a different amount.

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

Agenda Item 5 - Resolution 2 - Adoption of a New Constitution

1. Resolution to Adopt a New Constitution

A Special Resolution to replace the Bank's Current Constitution ('Current Constitution') with an updated version ('New Constitution') is put to Members for approval.

These Explanatory Notes provide information to assist Members in understanding the nature of the material changes proposed to the Current Constitution ('Proposed Amendments'), which are reflected in the New Constitution, and their rationale. They also include the Board's recommendation concerning this Special Resolution.

Where relevant, defined terms in these Explanatory Notes have the same meaning given to them in the New Constitution.

2. Overview of the Proposed Amendments to the Current Constitution

The Proposed Amendments aim to modernise the Current Constitution to reflect contemporary corporate practice in the mutual banking sector, to update the document for compliance with applicable legal, regulatory and prudential requirements, to address inconsistencies and ambiguities in the Current Constitution, and to align the requirements





of the document with the Bank's current operational practices.

In addition, the Proposed Amendments better integrate and clarify the respective rights, obligations and entitlements of Members and MCI holders (an MCI or Mutual Capital Instrument is a particular type of share that the Bank as a mutual bank is able to issue). In the Board's view, the Proposed Amendments also reflect APRA's expectations regarding the introduction of tenure limits on the periods of time that Directors can serve and the embedment of skills, knowledge and experience and the Board's required skills mix as criteria for eligibility to serve as a Director to ensure the Board continues to have the independence and capability to govern the Bank in the best interests of Members and in accordance with legal and prudential standards and current corporate practices.

Section 3 sets out more detailed information about the Proposed Amendments.

3. Proposed Changes Which the Board Wishes to Bring to Your Attention

The following summary provides more detailed information about specific Proposed Amendments which, in the view of the Board, are likely to be of material interest to Members.

It is a summary only, and Members are encouraged to make their own assessment of the Proposed Amendments.

For this purpose, a marked-up copy of the Current Constitution, the New Constitution and a schedule cross-referencing the Proposed Amendments is available on the Bank's website as outlined in Section 8 below.

You will have the opportunity to ask questions regarding the Proposed Amendments at the Annual General Meeting ('AGM'), as explained elsewhere in these Explanatory Notes.

3.1 Objects and Introductory Matters and Principles of Mutuality

The mutual Objects and Introductory Matters which are included in the Current Constitution in an annexure have been integrated into the main body of the New Constitution given the importance of these to the Bank's identity and legal status. The principles of mutuality remain substantially the same as in the

Current Constitution and reflect the legal nature of the Bank as an MCI Mutual Entity.

3.2 Integration of MCI Holders

The Current Constitution was amended with the approval of Members in 2019 to provide that the Bank is an MCI Mutual Entity and may issue Mutual Capital Instruments (MCIs) for the purposes of raising additional capital.

MCIs are different from Member Shares, which only entitle a Member to voting rights and to participate in a distribution of any surplus assets upon winding up. If issued, MCIs would require a holder to pay a subscription price and would likely entitle a holder to dividends.

The Bank has not issued any MCIs and currently has no plans to do so, so there are no MCI holders at this time. If the Bank were to issue MCIs, these would also be subject to their particular terms of issue.

The Proposed Amendments contain a number of changes to the Current Constitution to clarify and accurately reflect the legal differences between Member Shares and MCIs and to relocate the rules in relation to potential MCI issue, admission, rights, entitlements and obligations into the main section of the New Constitution. These rules are included in an annexure in the Current Constitution.

The Proposed Amendments also clarify that the transfer rights provided for in the Current Constitution apply only to MCIs as, generally, Member Shares cannot be transferred except in limited circumstances. Additional criteria are also included which permit the Bank to refuse the registration of an MCI transfer if it would cause or contribute to an unacceptable risk of the Bank failing to comply with Prudential Standards.

3.3 Membership

The application and admission process for membership has been amended to clarify and reflect the Bank's current membership application and admission processes and procedures. An applicant must be eligible under the Common Bond and qualify by the Bank having accepted a deposit or providing financial accommodation.

Where individuals apply for the Bank's products jointly, the Proposed Amendments provide that each person will be admitted as an individual Member and will each be entitled to membership rights under the New





Constitution. Under the Current Constitution, only one individual designated as the primary Member would be entitled to these rights.

The Proposed Amendments include express recognition of a minor's right to become a Member. However, a minor will not be entitled to hold office or have any voting rights on any matter subject to a vote at a General Meeting.

The Proposed Amendments include additional rules to:

(i) clarify that membership may be terminated if a Member's deposit account becomes dormant or if the MCI held by an MCI holder is redeemed, transferred or cancelled in accordance with the Constitution;

(ii) allow the Bank to terminate membership and redeem a Member's share:

(A) if the Member is suspected of or has engaged in conduct that the Board reasonably considers to be detrimental to the Bank, including conduct that is reasonably likely to cause reputational damage to the Bank;

(B) to ensure that no Member, in a single legal capacity, is the holder of more than one Member share, consistent with mutual principles;

(C) if the Member closes their deposit account or financial accommodation ceases, and the Member does not renew or replace the deposit account or financial accommodation; and

(D) where there are reasonable grounds to believe that fraudulent or unlawful activity has caused the Member share to be issued in the name of a person without the knowledge or consent of that person, or in the name of a deceased or fictitious person.

3.4 The Common Bond

The Common Bond in effect describes the classes of persons eligible to become Members of the Bank. The Proposed Amendments expand the classes of persons who may be eligible for membership to include:

(i) Volunteer status - an employee of, or volunteer with, an Australian Defence Force veterans' charity or community organisation;

(ii) Cadets - a member of the Australian Army, Navy or Air Force Cadets;

(iii) Family - a spouse (whether by marriage or de facto relationship), child, parent, sibling, grandparent, grandchild, aunt, uncle, niece, nephew or cousin (whether by blood, marriage or adoption) of a person admitted as a Member under the employment and volunteer status category;

(iv) Approved persons - The person, or the category of individual to which the person belongs, is approved by the Board.

3.5 Member Shares

The Current Constitution includes a right for the Bank to make a call on Members for unpaid capital and to exercise a right of forfeiture or a lien in respect of unpaid capital.

As a Member share is deemed to be fully paid upon issue under the Current Constitution and under the Proposed Amendments (i.e. the share price of a Member share is deemed to have been paid and no Member payment is required), these provisions are legally unnecessary. Therefore, this provision has been deleted under the Proposed Amendments.

The conditions in which a Member share can be transferred have been enhanced under the Proposed Amendments to include:

(i) a Member who becomes bankrupt may transfer the Member share that they hold to the Member's trustee in bankruptcy;

(ii) a Member who becomes mentally incapable may transfer the Member share that they hold to the Member's trustee or guardian.

3.6 Dividends

At law, consistent with the principles of mutuality, a Member share does not entitle a Member to a dividend. The Proposed Amendments clarify this status but do not change the position under the Current Constitution.

The Proposed Amendments clarify that each Member share is a redeemable preference share for the purposes of clause 15(2), Schedule 4 of the Corporations Act.

In contrast to Member Shares, MCIs may, depending on their terms of issue, be entitled to a dividend which is clarified in the Proposed Amendments.





The terms of the issue of an MCI, including any dividend entitlement, will be determined if and when the Bank decides to issue MCIs.

The Proposed Amendments prescribe that all dividends are to be declared and paid equally in respect of a class of shares and removes a right to issue a differential dividend, which otherwise may permit shares in the same class to be treated differently. The Bank will also have the discretion to invest any unclaimed dividends (as applicable) for the benefit of the Bank until claimed or required to be dealt with under the law.

While no MCIs have been issued by the Bank to date, the Proposed Amendments include a limitation that any dividend must not place the Bank in breach of an applicable Prudential Standard. That is, the Board has the power not to distribute a dividend where the prudential stability of the Bank is at risk.

3.7 General Meeting

The Proposed Amendments simplify and modernise the Rules governing a General Meeting consistent with the Corporations Act.

The Proposed Amendments include new rules in this respect, including:

- (i) direct voting, which permits a Voting Holder (Member or MCI holder) who is entitled to attend and vote on a resolution at a General Meeting to do so by way of a direct vote;
- (ii) a power for the Bank to hold a General Meeting using any Virtual Meeting Technology approved by the Directors.

In line with the simplification of the General Meeting procedures, the Proposed Amendments remove the Standing Orders included in an annexure to the Current Constitution to provide more latitude for the Chair to conduct a meeting to reflect its particular circumstances. Any meeting procedures implemented by the Chair and the conduct of the meeting generally must comply with the Corporations Act.

3.8 Board

The Proposed Amendments include substantial changes to the rules governing the Board, Board composition, Appointed Directors and Elected Directors, Director eligibility, the role of the Director Nominations Committee, terms of office and limitations on terms of office, resignation and prohibitions from office, removal of the power to appoint Alternate

Directors and clarification of the general powers of the Board consistent with the Corporations Act and regulatory obligations and expectations imposed on Directors and the Board of a prudentially regulated financial institution.

The Proposed Amendments specify that the Bank must have a minimum of 5 Directors or such greater number as determined by the Board from time to time, which raises the Current Constitution's minimum requirement from 4. APRA Prudential Standard CPS 510 *Governance* ('CPS 510'), which applies to the Bank, requires the Board of a locally incorporated APRA-regulated institution to have a minimum of 5 directors at all times.

The Proposed Amendments include an express requirement that the Board must consist of a majority of Elected Directors. Elected Directors are elected by Members (except in circumstances where a Director is appointed by the Board to fill a casual vacancy created by the departure of an Elected Director, with that Director then required to stand for election at the next AGM). Given the Bank's status as a mutual member-owned organisation, in the Board's view, it is appropriate and prudent that a majority of Directors be directly answerable to Members in this way.

Unless the Board otherwise resolves, the Board must consist of a majority of independent Directors. This is consistent with the requirements of CPS 510.

The powers vested in the Board and Directors in the New Constitution remain substantially the same as in those in the Current Constitution, subject to a new rule that provides that nothing in the Constitution limits the Board's power to make decisions relating to or to effect compliance with any law or Prudential Standard. This amendment clarifies that the Board has the necessary authority to make any decision necessary to ensure that the Bank complies with the Prudential Standards that apply to it as a regulated financial institution.

3.9 Directors

The Proposed Amendments include substantial changes to the Director eligibility criteria to reflect the prudential obligations imposed under the relevant APRA Prudential Standards and current mutual bank industry practice.

In this regard, the Board must assess the eligibility of all persons, including existing Directors, prior to their appointment, re-appointment, election or re-election as a Director, having regard to certain specified matters and noting that the Prudential Standards impose a 'fit and proper' test, including:





(i) whether the person has sufficient skills, knowledge and experience to perform the duties expected of a Director of the Bank;

(ii) any criteria adopted by the Board in the context of the Board's existing composition and structure as compared to the desired mix of skills, experience and diversity as assessed from time to time; and

(iii) recommendations made to the Board by the Director Nominations Committee (the committee which assists the Board in assessing and nominating candidates for election or appointment as a Director), in accordance with Annexure D of the New Constitution, which sets out the composition and role of the Director Nominations Committee.

The Proposed Amendments include related changes to the role and composition of the Director Nominations Committee, but this committee otherwise remains substantially similar to that provided for in the Current Constitution. Under the changes, the Board may consider the recommendation of the Director Nominations Committee regarding the eligibility of a person to serve as a Director; however, the Board retains ultimate discretion.

The requirement for the Director Nominations Committee to include a majority of external individuals has been removed as the Board believes that Directors are best placed to assess the skills, knowledge and experience requirements of the Board.

The Proposed Amendments introduce additional prohibitions to preserve the independence of Directors and to limit conflict with their director duties and obligations. For example, a person is ineligible to be a Director if they are a current employee of the Bank except where otherwise permitted by the Constitution or if they are a partner, employer or employee of an auditor of the Bank.

The current requirement that an individual must have been a Member of the Bank for a continuous period of 3 years to be eligible to be an Elected Director has been removed. The Board considers this an unnecessary constraint that may limit the pool of individuals eligible to serve as a Director.

The Proposed Amendments clarify the appointment processes for Elected Directors and Appointed Directors and also when an Election is required to be held. The amendments in relation to an election do not substantially change the existing process in the Current Constitution but affirm that:

(i) the Bank may elect a person as an Elected Director at a General Meeting in accordance with

the procedure outlined in Annexure C of the New Constitution, which is substantially the same as the Current Constitution.

(ii) an election is only required to be held:

(A) where an Elected Director is standing for re-election by Members at the end of their three-year term;

(B) where there is an unfilled casual vacancy on the Board caused by the retirement, resignation or removal of an Elected Director; or

(C) where an Elected Director, appointed by the Board to fill a casual vacancy created by the retirement, resignation or removal of an Elected Director, stands for election by Members.

(iii) the Board, in its full discretion, may resolve to appoint any individual to be an Appointed Director, either as an addition to the existing Directors or to fill a casual vacancy, provided that the total number of Directors does not exceed the maximum number fixed by the Board.

(iv) where a casual vacancy is created by the retirement, resignation or removal of an Elected Director and the casual vacancy is filled in accordance with the New Constitution, the Director appointed to fill the casual vacancy will be considered an Elected Director.

The Proposed Amendments remove the power of a Director to appoint an Alternate Director. In the Board's view, where Members elect a Director, or the Board appoints a Director, it is the individual elected or appointed who should attend meetings and discharge the necessary director responsibilities rather than a different individual acting on their behalf. Alternate Directors can create challenges for good governance, and their use is not consistent with the Bank's desired Board culture.

3.10 Director Term of Office

Consistent with the Current Constitution, the Proposed Amendments confirm that an Elected Director's term of office is for three (3) years. This is subject to the Corporations Act and the requirement that an Elected Director appointed to fill a casual vacancy must stand for election by Members at the next AGM.

The requirements pertaining to the retirement of Elected Directors by rotation in the Current Constitution have been removed. In the Board's view, these provisions are poorly drafted and risk differing





interpretations and, in any event, only apply in specific circumstances where the number of Elected Directors elected by the Members is more than a third of the number of Elected Directors determined by the Board.

In the Board's view, the current rotation provisions are redundant and a fixed 3-year term for an Elected Director, rather than a potentially shorter term under the current rotation provisions, is appropriate.

The Proposed Amendments introduce a new limitation on a Director's term of office, which specifies:

- (i) a person may only serve as a Director in any capacity for a maximum total period of ten (10) years;
- (ii) a person must not be elected or appointed as Director if it would cause that person to exceed the 10-year term limit.

However, under the Proposed Amendments, the Board has the discretion to extend the maximum total period for a particular person to serve as a Director beyond the 10-year term limit provided that:

- (i) any additional period as determined by the Board must not exceed two (2) years; and
- (ii) the aggregate of all periods of service by the person as a Director, including any additional period, will not exceed twelve (12) years.

In the Board's view, the director tenure limits in the Proposed Amendments are consistent with APRA's regulatory policy and expectations in relation to Board renewal and succession planning and also with current best practice governance in the mutual banking sector. On this basis, the Proposed Amendments allow for a Director to exceed the 10-year maximum by an additional period of 2 years, for example, in circumstances where continuity of experience and retaining certain skills and experience may be important for the Board.

3.11 Removal of Directors

The Proposed Amendments include a new Rule that provides that, consistent with and subject to the Corporations Act and the requirements regarding the minimum number of Directors, the Bank may, by resolution passed at a General Meeting, remove any Director from office.

In addition, the Proposed Amendments expand the criteria that may result in a Director automatically ceasing their appointment as a Director to include:

(i) if a Director is absent from three (3) consecutive ordinary meetings of the Board without a leave of absence approved by the Board;

(ii) if a Director becomes bankrupt, suspends payment generally to all creditors or compounds with or assigns the Director's estate for the benefit of creditors;

(iii) becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;

(iv) is removed from office under the Corporations Act;

(v) is prohibited from being a Director by reason of the operation of the Corporations Act; or

(vi) is convicted on indictment of an offence, and the Directors do not, within one month after that conviction, resolve to confirm that Director's appointment or election (as the case may be) to the office of Director.

In the Board's view, these additions reflect current practice for prudentially regulated financial institutions such as a mutual bank.

3.12 Director Conflict of Interest

The provisions relating to disclosure of a conflict of interest for Directors under the Current Constitution are enhanced under the Proposed Amendments to prescribe that each Director must comply with the Corporations Act requirements applying to the disclosure of Director's interests. The Proposed Amendments also provide that the Board may make additional regulations in addition to the requirements of the Corporations Act requiring the disclosure of interests, for example, to accommodate changes in the expected benchmarks at law and under any Prudential Standards.

3.13 Director Remuneration

Under the Current Constitution:

(i) the Bank in General Meeting determines the aggregate remuneration amount that Elected Directors may receive for a particular financial year and which must not be exceeded;

(ii) the Board may determine the allocation of the aggregate amount of remuneration among the Elected Directors. If the Board does not determine the allocation, the aggregate amount of





remuneration must be allocated equally among the Elected Directors;

(iii) the Board may determine the remuneration for Appointed Directors.

Under the Proposed Amendments, the following additional conditions will apply to that process:

(i) if the General Meeting does not approve a resolution for an aggregate amount of Elected Directors' remuneration for the forthcoming year, then the current aggregate remuneration of Elected Directors will continue to apply;

(ii) the Bank may make superannuation contributions on behalf of Directors above the approved aggregate remuneration for Elected Directors.

Consistent with the Current Constitution and existing Bank practice, the aggregate remuneration pool only applies to Elected Directors. The remuneration of Appointed Directors is at the discretion of the Board under the Current Constitution, which is unchanged by the Proposed Amendments.

The Proposed Amendments also clarify that the remuneration of an Elected Director who is appointed to fill a casual vacancy created by the exit of an Elected Director is subject to the aggregate remuneration pool approved by Members.

4. Member Rights and Entitlements

The Board reasonably believes that:

(i) the Proposed Amendments provide for the modernisation and simplification of the rules governing the Bank;

(ii) in a limited number of instances, the Proposed Amendments vest greater discretion in the Board and Directors than under the Current Constitution, such as additional circumstances where membership may be terminated as a result of fraud or potential reputational risk, or the ability for the Board to determine the eligibility of candidates for election as Director. However, those powers depend on, are subject to and consistent with the underlying legal and prudential framework which governs the Directors' conduct and with which the Directors must comply;

(iii) the Proposed Amendments are consistent with current benchmarks and corporate practice in the mutual banking sector. Whilst importing

more prescribed controls, which may in some cases modify the ability of Members to participate in decision making regarding some matters, the Directors are obliged to act in the interests of Members and are subject to the legal and prudential regulatory regimes which govern their decisions. The Corporations Act preserves rights for the Bank during the General Meeting in respect of certain decisions.

5. Board Recommendation

The Board considers that a number of Rules in the Current Constitution are outmoded and, in some cases, legally inaccurate and unclear. As a consequence, the Current Constitution as a whole does not provide a best practice, clear or coherent corporate governance framework.

The Board believes that the Proposed Amendments and the New Constitution provide a sound and prudent foundation to enable and ensure that the Board can continue to govern the Bank in the best interest of Members and in compliance with the law and prudential regulations.

The Board has carefully considered the Proposed Amendments and the New Constitution prior to submitting them to Members for approval and has taken independent legal advice. The Board unanimously recommends that Members vote in favour of the Special Resolution and vote to adopt the New Constitution.

6. Important Notice

Please note that the above explanation and description of the material changes that will take effect under the Proposed Amendments to the Constitution is a summary only.

The Board recommends that all Members read the full details of Proposed Amendments to the Current Constitution, including these Explanatory Notes, the marked-up copy of the Current Constitution and the table cross-referencing the Proposed Amendments, which is available at:

australianmilitarybank.com.au/agm2023.





7. Voting on a Special Resolution and the Effect of the Proposed Special Resolution

A Special Resolution requires a vote in favour of the resolution by at least 75% of the votes cast by Members currently eligible to vote at the Annual General Meeting (whether present in person or by proxy).

If the Special Resolution is passed by Members, the Current Constitution will be repealed, and the New Constitution incorporating the Proposed Amendments will be adopted with immediate effect from the time of approval by Members at the Annual General Meeting.

The Special Resolution is a complete resolution and cannot be divided into parts; therefore, it must be passed in its entirety in order for the New Constitution to be adopted and the Proposed Amendments to be effective. If the Special Resolution is not passed, there will be no changes to the Current Constitution.

8. Queries

The New Constitution, a marked-up copy of the Current Constitution, and a table cross-referencing the Proposed Amendments are available at **australianmilitarybank.com.au/agm2023**. Alternatively, Members can request copies by emailing the Company Secretary at: **companysecretary@australianmilitarybank.com.au**.

If you have any questions or require further information, please contact the Company Secretary.





Instructions – How to Participate

The Bank's 2023 Annual General Meeting will be a hybrid meeting held both physically at the Bank's new Head Office located at Level 1, 1 Bligh Street, Sydney and by live audio cast accessible via the link australianmilitarybank.com.au/agm2023.

We encourage all Members to participate in the Annual General Meeting either through physical attendance, virtually via the audio cast, or by voting online or by appointing a proxy to vote on their behalf prior to the meeting.

Physical Attendance

If you would like to attend the Annual General Meeting in person, you or your proxy are asked to arrive at Level 1, 1 Bligh Street, Sydney, prior to the commencement time of 4:00pm (AEDT) and register your attendance with the representatives of Link Market Services who will be present.

You are encouraged to submit questions in advance by completing the question form and submitting it online 4 business days prior to the meeting. Questions must be relevant to the business of the meeting, including matters arising from the Annual Report and general questions about the performance of the Bank.

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 as possible during the meeting. There will also be an opportunity to ask questions from the floor regarding relevant matters.

Virtual Attendance

If you would like to attend the meeting virtually, you or your proxy may listen to the live audio cast of the Annual General Meeting accessible at australianmilitarybank.com.au/agm2023. You will also be able to ask questions and vote. To attend virtually, 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 prior to the 4.00pm (AEDT) meeting commencement time and entering your Member details and postcode.**

Once you have logged in, you will be provided with details on how to vote and ask questions during the meeting.

Please note that online registration opens 30 minutes prior to the commencement of the meeting. We encourage you to log on as early as possible within this time window to ensure that you can join the meeting are able to do so without any issues and to allow time to familiarise yourself with the online platform.

A step-by-step guide on how to use the online platform titled Virtual Facility AGM Online Portal is available at australianmilitarybank.com.au/agm2023.





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 does not need to be a Member of the Bank; or

Question Form – you are encouraged to submit questions and comments prior to the meeting by completing the question form and submitting it online four business days prior to the meeting. Questions must be relevant to the business of the meeting, including matters arising from the Annual Report and general questions about the performance of the Bank. 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 as possible during the meeting.

To ensure all Members have an opportunity to ask questions during the meeting, you are requested to observe the following considerations when asking questions in person or online:

- 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 about fees, products or services in general or personal financial matters. If your questions are personal in nature, please direct them to our Member Service Centre on **1300 132 328**.

To vote, appoint a proxy or submit a question prior to the meeting:

1. Go to: australianmilitarybank.com.au/agm2023

2. Log in by:

- entering your Member number;
- entering the postcode associated with your membership; and
- correctly filling 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, 27 November 2023**.
- Questions submitted online - **5.00pm AEDT on Wednesday, 22 November 2023**.

For enquiries: australianmilitarybank.com.au/agm2023.

For any online or proxy enquiries, please contact Link Market Services on **1300 554 474**



