



2017

Australian Military Bank Ltd Notice of Annual General Meeting

Notice is given that the 58th Annual General Meeting of Australian Military Bank Ltd ('the Bank') will be held on:

Wednesday 25 October 2017 at 5.00pm (AEDT)

Four Seasons Hotel, 199 George Street, Sydney NSW 2000
RSVP: (02) 9240 4170 or agm2017@australianmilitarybank.com.au

2017 NOTICE OF ANNUAL GENERAL MEETING

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**Wednesday 25 October 2017
at 5.00pm (AEDT)**

Four Seasons Hotel Sydney
199 George Street, Sydney NSW 2000

AGENDA

- 1. Minutes:** to confirm the minutes of the 57th Annual General Meeting held on 26 October 2016.
- 2. Financial statements and reports:** To receive the Bank’s Financial Report, Directors’ Report and the Auditor’s Report for the year ended 30 June 2017.
- 3. Amend the Constitution:** To consider, and if thought fit, pass the following resolution as a special resolution:
That the Bank’s Constitution be amended as set out in the Explanatory Notes agenda item 3.
- 4. Director Elections:** To receive the announcement of results by the Company Secretary of the 2017 ballot for Director Elections (refer to the Explanatory Notes Agenda item 4).
- 5. Directors’ remuneration for the financial year ending 30 June 2018:** To consider, and if thought fit, pass the following resolution as an ordinary resolution:

That members approve the amount of **\$426,887**, an increase of \$8,370 as total Board remuneration to be distributed amongst themselves as they see fit (refer to the Explanatory Notes agenda item 5).

6. General Business

By Order of the Board of Directors

John Ford
Company Secretary
26 September 2017

EXPLANATORY NOTES

The Explanatory Notes that follow provide important information regarding the items of business to be considered at the Annual General Meeting.

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

Agenda Item 1: Minutes

The proposed resolution seeks to confirm the minutes of the 2016 AGM held on 26 October 2016. The draft minutes will be available at the meeting or by emailing agm2017@australianmilitarybank.com.au

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

Agenda Item 2: Financial statements and reports

The Corporations Act and the Constitution require that the Bank's Financial Report, Directors' Report and the Auditor's Report for the year ended 30 June 2017 be presented at the meeting. Whilst a member resolution in this regard is not required under the Corporations Act, the Directors believe that asking the meeting for an advisory vote is important to engage with members on important issues affecting the Bank. A copy of the 2017 annual financial report will be available on the Bank's website from Friday 29 September 2017.

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

Agenda Item 3: Amend the Constitution

The proposed special resolutions seek to amend the Bank's Constitution as follows:

- (a)** Remove the requirement to use an 'inner envelope' for enclosing ballot papers to avoid invalid votes.

The purpose of this change is to simplify the overall voting process by removing the requirement for an Inner Envelope. Currently, the Constitution requires two envelopes (Inner and Outer) for enclosing ballot papers when making a postal vote. In 2016, 60 out of 635 ballot votes were deemed invalid due to envelope errors.

The Board believes that by adopting this change, the number of invalid postal votes will be reduced.

Amendments to the Constitution (25 October 2017)

1. Amend Appendix A5.7 (Postal Vote) as follows:
 - Item 1(b) - remove the wording 'called the "Outer Envelope".'
 - Delete Item 1(c).
 - Item 3(b) – remove the word "Inner".
 - Item 3(c) – replace the wording with 'complete the envelope and return it by post to the returning officer.'
 - Item (6) – replace the wording with 'A member who does not receive their ballot papers or who spoils them must give the returning officer a declaration to that effect. Upon notification, the returning officer must then send duplicate ballot papers to that member.'
2. Amend Appendix A5.9 (Procedures After Close of Ballot) as follows:
 - Items 1(b) & (c) – remove any reference to "Outer".
 - Item 1(d) – replace the wording with 'extract the ballot papers from all unrejected envelopes.'
 - Delete Item 1(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 resolutions at the AGM.

- (b)** Include an option for receiving ballots on-line.

The purpose of this change is to introduce an option for the Returning Officer to send an email to members, who already have supplied their email address to the Bank, with a link to enable them to vote on-line.

It is also proposed that if there has been an attempt to contact a member via their last known email address and the email has not been received, the Bank is not obliged to resend ballot papers unless requested by the member.

The Board believes that by adopting these changes the voting process will be further streamlined.

EXPLANATORY NOTES // CONTINUED

Amendments to the Constitution (25 October 2017)

1. Amend Appendix A5.6 (Ballot Papers) as follows:
 - Additional Item (4) – ‘The returning officer may send ballot papers to members by email where an email address has been supplied to the Bank. The email shall include instructions and a link on how to vote online in lieu of other methods.’
 - Additional Item (5) – ‘If an attempt has been made to send the email to the member’s last known email address and it is not received for any reason whatsoever, the Bank is not obliged to resend ballot papers unless requested by the member.’
2. Amend Appendix A5.12 (Electronic Voting) as follows:
 - Additional item (i) – ‘the member is responsible for ensuring that their email contact details remain correct and up to date.’

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 resolutions at the AGM.

Agenda Item 4: Director Elections – The results of the 2017 Director Elections, conducted by secret ballot before the AGM, will be announced by the Company Secretary as required by the Constitution. No member vote in this regard is required at the AGM.

There is one Director position to be filled and three candidates. In accordance with the Constitution: the election process is via a ballot; the order in which the candidates appear has been determined by the returning officer by lot; and the candidate with the highest number of votes is appointed as a Director. The Director elected at this AGM will hold office for the period to the AGM in 2020.

1. Graham Weber is an existing Director of the Bank. In accordance with the Bank’s Constitution, the term of office for this Director ends at the conclusion of the 2017 Annual General Meeting. Mr Weber seeks re-election to the Board and has been interviewed by the Director Nominations Committee and passed the tests for fitness and propriety under the Board’s Fit & Proper Policy.
2. Robert McComas has been nominated by two members for election as Director. He has been interviewed by the Director Nominations Committee and passed the tests for fitness and propriety under the Board’s Fit & Proper Policy.
3. Jonathan Sadleir has been nominated by two members for election as Director. He has been interviewed by the Director Nominations Committee and passed the tests for fitness and propriety under the Board’s Fit & Proper Policy.

The content of the following statements has been reproduced as received from the candidates.

EXPLANATORY NOTES // CONTINUED



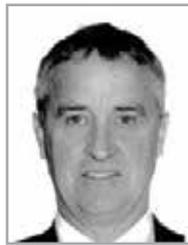
**Graham
Weber**

Graham Weber is a current director who has been on the Board since 2008 and is currently the Deputy Chairman of the Board. Graham has been in a number of senior executive roles in the Department of Defence since 2002 and is currently the Chief Finance Officer for the Royal Australian Air Force.

Graham is a Fellow of CPA Australia with extensive business, finance and management experience in both the public sector and also having worked in a number of large accounting and advisory firms.

As Deputy Chair and a member of the Board Governance Committee, Graham has contributed to the setting of the strategic direction of Australian Military Bank, including the planning and oversight of a range of key organisational outcomes. These outcomes have included the transition to mutual bank status, along with the more recent successful re-appointment as a home loan provider under the Defence Home Ownership Assistance Scheme.

As a member of both the Board Audit Committee and Governance Committee, Graham contributes to and is influential in the setting of the strategic direction of Australian Military Bank, including the establishment of appropriate governance and controls for the effective running of the organisation.



**Robert
McComas**

I have been a member of the Australian Military Bank since 1991.

As a serving member I joining the Navy in 1983 and left in 2004. I am now a Defence Public Servant and Navy Reservist.

I have significant experience in finance, contracting, human resources and strategic planning. I also hold a Bachelor of Business (Human Resource Management).

I recently completed four years as the President of the Squash ACT Board (A non paying position). As President I led Squash ACT from a position of near insolvency (in 2013) to one where they are now making a significant profit. I retired from that position at the March 2017 Annual General Meeting where the members presented me with the first Outstanding Service award.

I am still an active member of the Squash ACT Facilities Committee and the Squash Australia Participation Committee.

I also led the first contracting of the Defence Home Ownership Assistance Scheme and through that have some knowledge of the banking system.

I am married and have two children and four grand children. I play competitive squash and cricket and enjoy travel including touring different parts of Australia in my caravan.



**Jonathan
Sadleir**

CDRE Sadleir has been a member of the Australian Military Bank for over 20 years and believes strongly in the culture of customer service and commitment to members and staff that the AMB consistently demonstrates. His career is characterised by demanding Command, Operational and Staff appointments with a consistent track record of leading and working with high performing units. On completion of Command of PARRAMATTA in 2010 he took leadership of the Directorate of Naval Continuous Improvement where he led a team of both defence and civilian contractors to identify 2 billion dollars in savings and improved governance across the RAN.

In 2012 CDRE Sadleir was appointed as the Commissioning Commanding Officer of the largest ship in RAN history, HMAS CANBERRA. On completion he was selected to attend the Royal College of Defence Studies in the United Kingdom with a focus on Geopolitical Strategic level problem solving and governance.

He holds a Bachelor of Arts in History, Graduate Diploma in Management, Graduate Diploma in Maritime Management and Logistics, a Masters in Business Administration and is a Graduate and Member of the Royal College of Defence Studies. CDRE Sadleir was appointed as a Member of the Order of Australia in 2013.

Agenda Item 5: Directors' Remuneration

Section 17.1(1) of the Bank Constitution requires a resolution for the aggregate amount of Directors' remuneration to be approved at the general meeting for that year. Agenda item 5 of this meeting is to approve the amount of **\$426,887**, an increase of \$8,370 on the amount approved at 2017 AGM. The recommendation is in line with inflation.

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

INSTRUCTIONS

HOW TO VOTE FOR DIRECTORS



Online Ballot

You may vote by completing the ballot form online prior to the ballot closing on Wednesday, 18 October 2017.

1. Go to:

<https://investorcentre.linkmarketservices.com.au/voting/AMB>

2. To log in, you will need to:

- enter your member number
- enter your voting PIN (which was sent to you in an email) and,
- correctly fill out the security box.

3. Then follow the prompts to vote online.

Important: Online ballot voting closes 5.00pm (AEDT) on Wednesday, 18 October 2017.

For any enquiries about online ballot voting, please contact the returning officer on **1300 554 474**.

HOW TO VOTE ON OTHER MATTERS



In Person

You may attend and vote at the Annual General Meeting in person at the date, time and place specified in the notice of meeting. Also see *Note below.

Please RSVP your attendance by 5.00pm (AEDT) on Monday 23 October 2017 to:

Email: agm2017@australianmilitarybank.com.au

Phone: **(02) 9240 4170**



Online Voting or Proxy

You may vote by completing the voting form online at least 48 hours prior to the meeting.

Alternatively, you may appoint a proxy to attend the AGM and vote on your behalf by completing the proxy form online at least 48 hours prior to the meeting. Your proxy does not need to be a member of the Bank.

1. Go to:

<https://investorcentre.linkmarketservices.com.au/voting/AMB>

2. To log in, you will need to:

- enter your member number
- enter your voting PIN (which was sent to you in an email) and,
- correctly fill out the security box.

3. Then follow the prompts to vote or to appoint a proxy online.

Important: Online voting and proxy appointment closes 5.00pm (AEDT) on Monday 23 October 2017.

* **Note:** A member who has voted online prior to the AGM, may attend the AGM but may not cast another vote on the relevant resolution at the AGM.

For enquiries

For any online voting or proxy enquiries, please contact the returning officer on **1300 554 474**.

1300 13 23 28
australianmilitarybank.com.au

Australian Military Bank Ltd ABN 48 087 649 741 | AFSL AND Australian credit licence number 237 988.