

Governance and Remuneration Committee

Australian Military Bank (**Bank**) has a Governance and Remuneration Committee (**GRC**) responsible for overseeing the following:

- Establishment and regular review of the Bank's Remuneration Policy, including the effectiveness of the policy and recommending changes to the policy where appropriate;
- Directors' remuneration and Directors' work entitlements; and
- Making recommendations to the Board on remuneration of the CEO, direct reports of the CEO, other persons whose activities may in the GRC's opinion affect the financial soundness of the Bank and other persons specified by APRA.

The GRC operates in accordance with a written charter and comprises three non-executive Directors appointed by the Board. The committee members are appointed on an annual basis.

The GRC may engage third party experts on matters affecting remuneration. The Bank participates in Remuneration Surveys published by Aon Australia that provide key market data and benchmarking to assist with determining remuneration.

Senior managers for the purpose of this disclosure include the key personnel per the Bank's remuneration policy being the CEO, other executives and key risk and financial control managers. For the purposes of this disclosure, there are no employees outside of these key personnel that the GRC considers material risk takers as defined in APS 330 and CPS 510

Remuneration Policy

The Remuneration Policy was established to provide the framework to manage remuneration of key personnel with the objective to ensure it is comparable to like organisations. The policy is reviewed annually.

The remuneration structure for senior managers and key risk and financial control employees comprised a fixed salary and superannuation. The performance and remuneration of risk and financial control employees is assessed according to objectives specific to the roles they undertake, which are dependent of the business they oversee. Key risk and financial control employees are evaluated by the GRC to ensure that the reporting obligations are not compromised by financial incentives.

Remuneration Process

The Remuneration Policy seeks to ensure that quality employees are employed, and retained and are remunerated in accordance with their responsibilities and experience.

The GRC seeks the input from external remuneration consultants and applicable surveys to guide the committee on the appropriate remuneration for staff.

The GRC assess the relevant remuneration on a case by case basis to ensure the remuneration reflects the skill and experience of the staff member to meet the Board expectations and changes in the business proposed by the strategic plan.

Performance Based Remuneration

The Bank has a direct link between the performance and remuneration. The GRC takes into account a combination of factors in assessing the performance of employees including achievement of the objectives of the Bank, financial performance, compliance with regulatory requirements, management of risk, results of members satisfaction feedback, achievement of the objectives specific to the role, changes in the consumer price index and remuneration being offered in similar positions within the industry.

There are no specific measures taken to reward longer term performance. There are no deferred remuneration arrangements with any staff other than the employee statutory entitlements and award conditions.

A redundancy or termination payment will be negotiated with each employee as required by the National Employment Standards.

Quantitative Disclosures

	Number	\$
Number of meetings of the Governance and Remuneration Committee	7	-
Number of variable remuneration awards	0	\$0
Number and total guaranteed bonuses award during the financial year	0	\$0
Number and total sign-on awards made during the financial year	0	\$0
Number and total termination payments made during the financial year	1	\$32,310
Total amount of outstanding deferred remuneration	0	\$0
Total amount of deferred remuneration paid during the financial year	0	\$0

Total Value of Remuneration for Senior Managers and Material Risk Takers

Total value of remuneration (unrestricted) awards for the financial year		
	Senior Managers	Material Risk Takers
Fixed remuneration		
Cash-based	\$3,420,330	-
Shares and share linked instruments	-	-
Other	\$0	-
Variable remuneration		
Cash-based	\$0	-
Shares and share linked instruments	-	-
Other	\$0	-