



Australian Military Bank Limited Corporate Governance Statement 2024





Preface

Australian Military Bank Limited (the 'Bank') is a mutual bank, owned by, and operated for the benefit of, its members, who each own a single member share.

The Bank is an Authorised Deposit Taking Institution (an 'ADI') regulated by the Australian Prudential Regulatory Authority ('APRA') and holds an Australian Financial Services Licence and an Australian Credit Licence issued by the Australian Securities & Investment Commission ('ASIC'). The Bank is required to comply with the APRA Prudential Standards applicable to ADIs, including Prudential Standard CPS 510 Governance. It is also required to comply with the Corporations Act 2001 (Cth), and a range of other legislation, including financial services specific legislation and legislation of general application, for example, legislation governing work health and safety.

The Bank's Board of Directors ('Board') is committed to ensuring that the Bank's corporate governance arrangements are effective, appropriate for an organisation of the Bank's nature and size and aligned to the expectations of its members and other stakeholders. It is also committed to continuing to improve these arrangements on an ongoing basis to reflect advances in legislation, corporate governance norms and the Bank's continuing maturity as an organisation.

This Corporate Governance Statement ('Statement') has been prepared at the Board's request to summarise the Bank's key corporate governance arrangements for the benefit of its members and other stakeholders.

In preparing this Statement, the Bank has had regard to the Fourth Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('ASX CGPR 4'), which are widely regarded as an appropriate corporate governance benchmark for Australian organisations generally. The ASX CGPR 4 inform the Statement's headings, structure and content.

The Statement was approved by the Board on 4 September 2024 and is current as at that date.





Section 1 - Solid foundations for management and oversight

1.1 The respective roles of the Board and Management

The Bank is governed by its Board, which is ultimately responsible for the Bank's leadership, its strategic direction and for its sound and prudent management.

The Board's authority to govern the Bank is drawn from the Bank's Constitution, the Bank's foundational corporate governance document, which is approved by its members.

The Board comprises a mix of Elected Directors, appointed by members, and Appointed Directors, appointed by the Board under the Constitution. The Board considers that Appointed Directors are an important means of ensuring that it is able to bring on to the Board particular types of skills, knowledge and experience, particularly in relation to financial services and banking, for the benefit of the Bank and its members.

The Bank's Board currently comprises seven (7) Directors:

- ▶ Alan Bardwell (Chair)
- ▶ Sean Fitzgerald (Deputy Chair)
- ▶ Michael Crane
- ▶ Jodie Hampshire
- ▶ Tim Pike
- ▶ Francesca Rush
- ▶ Rebecca Tolhurst

The Chair and Deputy Chair are independent, non-executive Directors as are each of the other Directors currently serving on the Board. Each of the Bank's Directors is resident in Australia.

During the financial year ended 30 June 2024 ('FY24'), the Board met on eleven (11) occasions.

Professional biographies for the Directors are available on the Bank's [website](#).





Board Charter

The Board has adopted a Board Charter which documents its role and responsibilities along with its governance arrangements and processes.

As documented in the Board Charter, the Board's key responsibilities are:

- ▶ Approving the Bank's purpose, values, governance and ethical settings.
- ▶ Monitoring and enhancing the Bank's culture.
- ▶ Setting the Bank's strategy and approving the allied business and financial plans.
- ▶ Setting the Bank's risk appetite and overseeing the Bank's Risk Management Framework, being the processes and procedures the Bank uses to manage risk.
- ▶ Approving the Bank's Compliance Plan, being the way in which the Bank ensures it is complying with all applicable legislative and regulatory requirements.
- ▶ Approving the Bank's capital, funding and liquidity policies and processes.
- ▶ Overseeing the integrity of the Bank's financial and corporate reporting and approving its annual financial statements.
- ▶ Appointing the Chief Executive Officer ('CEO') and assessing the CEO's performance.
- ▶ Approving the Bank's remuneration principles and policy and approving the remuneration of the CEO and the CEO's direct reports.
- ▶ Approving the Bank's Work Health & Safety Policy and overseeing the Bank's systems to ensure compliance with work health and safety legislation.
- ▶ Overseeing the Bank's corporate governance.

The Board Charter is reviewed biennially to ensure that it remains current and appropriate. A copy of the Board Charter is available on the Bank's [website](#).

Board Committees

The Board has established three standing Committees and delegated certain responsibilities to these to assist it in meeting its responsibilities under the Board Charter. These standing Committees meet on at least a quarterly basis.

These Committees, a summary of their delegated responsibilities and current composition are:

Risk Committee

The Risk Committee has responsibility for assisting the Board to meet its responsibilities on a range of matters relating to the Bank's risk appetite, and risk and compliance management, including the Bank's risk culture.

The Risk Committee comprises three (3) Directors:

- ▶ Sean Fitzgerald (Chair)
- ▶ Alan Bardwell
- ▶ Francesca Rush

The Chair of the Risk Committee is an independent, non-executive Director.

During FY24, the Risk Committee met on five (5) occasions.



Audit Committee

The Audit Committee has responsibility for assisting the Board to meet its responsibilities on a range of matters relating to the quality and integrity of the Bank's financial information and reporting, the external and internal audit functions, and whistleblowing procedures.

The Audit Committee comprises three (3) Directors:

- ▶ Rebecca Tolhurst (Chair)
- ▶ Sean Fitzgerald
- ▶ Jodie Hampshire

The Audit Committee Chair is an independent, non-executive Director.

During FY24, the Audit Committee met on five (5) occasions.

Environmental, Social, Governance & Remuneration Committee

The Environmental, Social, Governance & Remuneration Committee has responsibility for assisting the Board to meet its responsibilities on a range of matters relating to Environmental, Social and Governance ('ESG') considerations, remuneration, culture, Director independence, diversity and inclusion, and work health and safety.

The Environmental, Social, Governance & Remuneration Committee comprises three (3) Directors:

- ▶ Michael Crane (Chair)
- ▶ Tim Pike
- ▶ Jodie Hampshire

The Environmental, Social, Governance & Remuneration Committee Chair is an independent, non-executive Director.

During FY24, the Environmental, Social, Governance & Remuneration Committee met on nine (9) occasions.

Committee Charters

Each Committee has a charter that documents its respective role and responsibilities. These Charters are reviewed at least biennially to ensure that they remain current and appropriate.

In addition to these three standing Committees, the Board has established a Director Nominations Committee, which meets on an 'as required' basis to support the Board in relation to Director nominations matters.

More detailed information in relation to each Committee, including the Director Nominations Committee, is included later in this Statement.



Management

The Board has appointed a CEO who reports to the Chair and the Board. Responsibility for the day-to-day management and operation of the Bank has been delegated by the Board to the CEO. The CEO develops strategies to deliver the strategic direction set by the Board and is the public face of the Bank.

The CEO leads an Executive comprising a number of senior executives, each responsible for a different aspect of the Bank's business or operations (collectively, 'Management').

Management is responsible for the execution of the Bank's strategy, for managing and operating the Bank day-to-day within the risk appetite agreed by the Board and for modelling and instilling the Bank's organisational values. Management is also responsible for preparing the ongoing reporting required by the Board to perform its role.

The Board has delegated the authority required to achieve the agreed strategic objectives to Management. This delegation is documented in the Bank's Board & Executive Delegations Policy, which specifies the parameters and conditions applying to the authority delegated by the Board.

Professional biographies for the CEO and Executive team are available on the Bank's [website](#).

1.2 Appropriate checks on Directors and Executives

Prior to their appointment each Director and senior executive is subject to a number of background and probity checks, including ASIC banning order, bankruptcy and criminal record checks, to ensure they have the necessary character and integrity to perform their roles.

A Fit & Proper assessment satisfying the requirements of APRA Prudential Standard CPS 520 Fit & Proper ('CPS 520') and the Bank's Fit & Proper Policy is also conducted prior to the appointment of Directors and senior executives and, subsequently, on an annual basis.

The Bank's External Auditor is also subject to appropriate checks, including a Fit & Proper assessment satisfying the requirements of CPS 520.

1.3 Terms of Appointment

The Bank has a written agreement with each Director and with the CEO and Executive setting out the terms and conditions of their appointment and their role.

In respect of Directors, the agreement includes information in relation to:

- ▶ The duties and obligations imposed on Directors by the Corporations Act 2001 (Cth) (the 'Corporations Act'), including the duty to avoid conflicts of interest and the duty to act in good faith in the best interests of the Bank.
- ▶ The potential liabilities imposed on Directors by the Corporations Act.
- ▶ The obligation of Directors to assess the information provided by Management and to understand the financial position of the Bank.
- ▶ The requirement to undertake ongoing professional development.
- ▶ The obligation to satisfy ongoing requirements in relation to fitness and propriety.

The Bank's Board Renewal, Evaluation & Director Development Policy provides that, as a general rule, Directors may only serve on the Board for a cumulative period of ten (10) years.

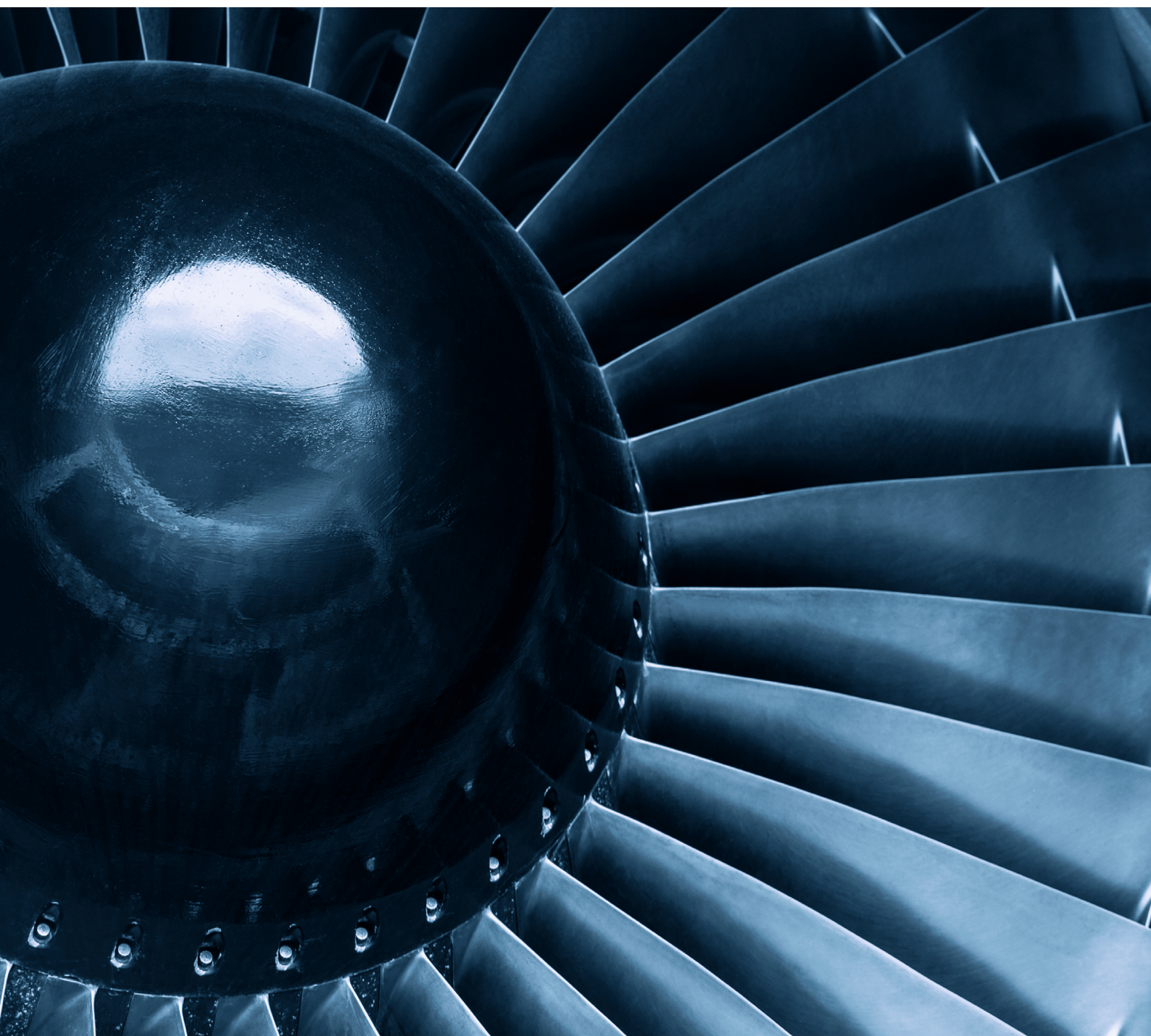


1.4 The Role of the Company Secretary

As is required by the Corporations Act in respect of a Public Company, the Board has appointed a Company Secretary who is accountable to it in relation to the corporate governance of the Bank and the administration of the Board and its Committees.

The Company Secretary attends all Board and Committee meetings, and the Chair and Directors have direct access to the Company Secretary within and outside meetings.

A professional biography for the Company Secretary is available on the Bank's [website](#).





Section 2 - Structure the Board to be effective and add value

2.1 Board Renewal and Director Nominations

The Environmental, Social, Governance & Remuneration Committee assists the Board in relation to matters concerning:

- ▶ Board renewal
- ▶ Board and Committee composition
- ▶ Appointment, election and re-election of Directors
- ▶ The annual Board, Board Committee and individual Director performance assessments
- ▶ Director induction and professional development

Additionally, the Board has delegated responsibility to the Director Nominations Committee, which meets on an 'as required' basis, to assess individuals prior to their appointment or election as Directors against specified criteria. These criteria include that candidates for appointment possess sufficient skills, knowledge and experience and the required fitness and propriety to serve as Directors.

The current composition of the Environmental, Social, Governance & Remuneration Committee is detailed earlier in this Statement. The Environmental, Social, Governance & Remuneration Committee Chair is an independent, non-executive Director.

The Director Nominations Committee comprises the Chair and Deputy Chair.

The Environmental, Social, Governance & Remuneration Committee and the Director Nominations Committee are governed by charters, which are available on the Bank's [website](#).

2.2 Board Skills Matrix

The Board maintains a Board Skills Matrix which is used by the Board to ensure that its current composition has the appropriate blend of knowledge, skills, experience and diversity characteristics required to effectively perform its role and responsibilities.

The Board Skills Matrix is also used to assist the Board in managing Board renewal and succession planning and to identify the professional development needs of Directors. The Board Skills Matrix is reviewed and updated by the Board on an annual basis in accordance with an agreed procedure.

For the purpose of this statement, an indicative overview of the knowledge, skills, experience, gender diversity and tenure profiles of the Board is included below:





Knowledge, Skills & Experience Profile

◆ Capable ◆ Advanced ◆ Expert

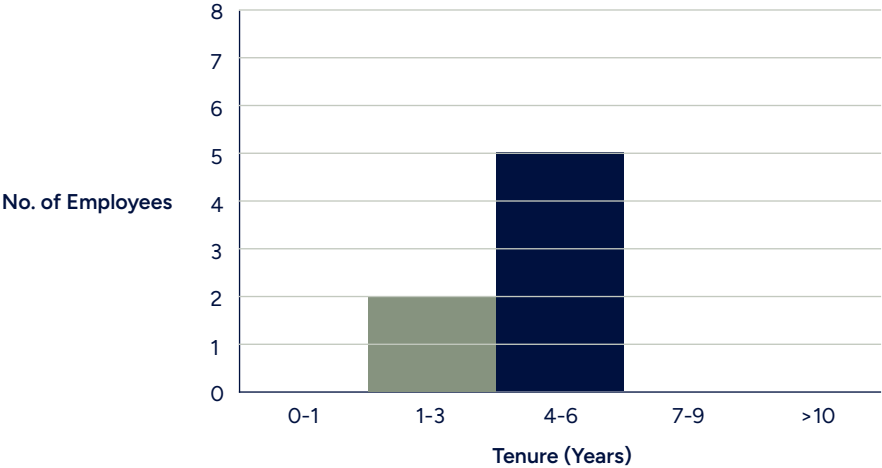
Skills	Current Board
Leadership and Strategy	<p>Experience in a senior role in an organisation of size or complexity, including developing and monitoring strategic plans and objectives.</p> <p>3 4</p>
Industry Experience	<p>Experience in, or advising, the retail banking, financial services and adjacent sectors and relevant regulatory environments.</p> <p>3 4</p>
Financial Acumen	<p>Sound understanding of financial statements, financial reporting, and the drivers of financial performance for a medium sized mutual bank, including the ability to assess the effectiveness of financial controls, and/or experience in capital management, finance, treasury or funds managements.</p> <p>3 3 1</p>
Governance and Compliance	<p>Sound understanding of governance and compliance frameworks, policies and processes, in particular those governing a mutual bank.</p> <p>3 3 1</p>
Risk Management	<p>Experience in anticipating, recognising and managing risks (including regulatory, financial and non-financial risks) and defining and monitoring risk management frameworks and controls.</p> <p>3 2 2</p>
People & Culture	<p>Experience or skills in overseeing organisational culture and engagement drivers, succession planning and remuneration frameworks.</p> <p>2 4 1</p>
Bond	<p>Experience as a senior leader in the Australian Defence Organisation or a significant role in an organisation supporting veterans or the Defence community.</p> <p>3 1 3</p>
Mutuality	<p>Experience in a senior role in a co-operative or mutual enterprise, or specific education on the governance and member-owned principles underpinning a mutual bank, and/or understanding of enhancing member outcomes.</p> <p>3 3 1</p>
Technology	<p>Experience or skills in overseeing the application of technology in complex and regulated environments, including digital change, innovation and cyber security.</p> <p>4 3</p>
Environment and Social	<p>Understanding or specific training regarding potential risks and opportunities from an environmental and social perspective.</p> <p>5 2</p>



Gender Diversity Profile

	
3	4

Tenure Profile





2.3 Independence

The Board regards independence as a critical and necessary attribute in Directors because it provides a foundation for the objective oversight and constructive challenge of Management. Directors are required to be free of business or other relationships that could materially interfere with, or be perceived to interfere with, the independent exercise of their judgement.

In accordance with the Bank's Board Renewal, Evaluation & Director Development Policy, the Board assesses the independence of Directors annually against the following specified criteria:

- ▶ Is the Director a director or officer of another ADI or do they have a relationship with another ADI, other than as a member, that may constitute a conflict?
- ▶ Is the Director a nominee or representative of a particular shareholder of the Bank?
- ▶ Has the Director been employed in an executive capacity by the Bank within the last three years?
- ▶ Has the Director been a principal, director or senior employee of a material professional adviser or material consultant to the Bank within the last three years?
- ▶ Is the Director a material supplier or customer of the Bank, or an officer of or otherwise associated directly or indirectly with a material supplier or customer?
- ▶ Does the Director have a material contractual relationship with the Bank other than as a Director?
- ▶ Does the Director have any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Bank?
- ▶ Has the Director missed greater than three (3) Board meetings without a leave of absence?
- ▶ Has the Director breached their financial responsibilities with respect to any debts owed to the Bank?

These criteria are aligned with the definition of independence included in APRA Prudential Standard CPS 510 *Governance*.

In addition to these specific criteria, the Board regards independence as a mindset, an approach to decision making, and to the assessment of the information provided by Management.

The Board most recently assessed the independence of each of its Directors in June 2024 and, as at the date of this Statement, each of the Directors serving on the Board, including the Chair and Deputy Chair, is regarded as being independent.

2.4 Induction & Professional Development

On appointment, each Director undergoes a structured induction program, which includes meetings with each member of the Executive team.

The Board is committed to ongoing professional development and Directors are encouraged and provided with the opportunity to remain abreast of developments relevant to the Bank, its operations and sector through attendance at external professional development sessions and conferences. Professional development sessions are also incorporated into the Board program.



2.5 Performance Assessment

The Board is committed to continuous improvement and assesses its performance and the performance of its Committees and individual Directors on an annual basis in accordance with the requirements of the Board Renewal Policy, Evaluation and Director Development Policy ('Board Renewal Policy') and APRA Prudential Standard CPS 510 *Governance*.

In accordance with the Board Renewal Policy, an external assessment of Board, Committee and individual Director performance is conducted every 3 years. In the intervening years, the assessments are conducted internally and facilitated by the Chair, in some instances supported by external governance advisers. These internal assessments generally involve the completion of survey questionnaires and interviews between the Chair and individual Directors.

The Board's most recent external performance assessment was conducted by governance advisers, Board Matters, and completed in September 2024. Select Executives also participated in the assessment process to ensure that the Board was obtaining Management's insights.

The insights generated by the external assessment are being used to drive further improvements in the Board's performance and operation.





Section 3 - Instill a culture of acting lawfully, ethically and responsibly

3.1 The Bank's Values

The Board has approved the Bank's values, which are disclosed on the Bank's [website](#).

The Bank's values are:

- ▶ Member First
- ▶ Display Moral Courage
- ▶ Demonstrate the Highest Standards
- ▶ Earn Admiration and Trust

Management is responsible for modelling these values in its leadership and day-to-day operation of the Bank and for instilling them across the organisation by providing clear guidance on the behaviours and actions expected of the Bank's employees in performing their roles.

3.2 The Code of Conduct

The Bank has adopted a Code of Conduct which supports the Bank's purpose and values and documents the standards of professional and ethical behaviour expected of all Directors, employees and contractors, including the reporting of suspected breaches of the Code.

The Code of Conduct is approved by the Board and is reviewed regularly to ensure that it remains contemporary and appropriate.

All Directors and employees receive training on the Code of Conduct as a part of their induction to the Bank and on an ongoing basis, annually.

3.3 Conflicts of Interest

The Bank has adopted a Conflicts of Interest Policy which documents the Bank's approach to managing the risks associated with actual, potential and perceived conflicts of interest and the obligations imposed on Directors, employees and contractors in relation to the identification, disclosure and management of these.

All Directors and employees receive training on the Conflicts of Interest Policy as a part of their induction to the Bank and on an ongoing basis, annually.



3.4 Whistleblower Policy

The Bank has adopted a Whistleblower Policy which documents the different ways in which reports regarding suspected or actual misconduct can be made by employees, former employees or external stakeholders and the way in which these reports will be investigated.

The Whistleblower Policy is designed to support a culture of integrity, ethical behaviour, compliance and good corporate governance and to make clear the protections afforded to those who report suspected or actual wrongdoing.

The Bank offers a free external hotline and reporting service independently maintained by Stopline in addition to other reporting channels. The Audit Committee receives appropriate reporting on any disclosures made under the Whistleblower Policy at each meeting.

All Directors and employees receive training on the Whistleblower Policy as a part of their induction to the Bank and on an ongoing basis, annually.

3.5 Anti-Bribery & Corruption

The Bank's Code of Conduct includes a requirement that Directors, employees and contractors take reasonable steps to avoid accepting gifts, benefits, offers of hospitality, compensation or consideration that could give rise to a conflict of interest.

3.6 Diversity and Inclusion

The Board believes that fostering a culture of diversity and inclusion that values different backgrounds and perspectives is fundamental to the health of the Bank's culture and its success as an organisation, including its ability to deliver for its members.

The Bank has a Diversity & Inclusion Policy that documents the Bank's approach to creating a diverse and inclusive culture and includes an objective for gender representation at the Bank.

The Environmental, Social, Governance & Remuneration Committee has responsibility for assisting the Board in relation to diversity and inclusion and monitoring the Bank's performance against its gender representation objective and other diversity indicators.

All Directors and employees receive training on the Diversity & Inclusion Policy as a part of their induction training to the Bank and on an ongoing basis, annually.

3.7 Sexual Harassment

The Board has zero tolerance for sexual harassment and is committed to ensuring that the Bank's employees experience a safe, inclusive and respectful workplace free of any and all forms of harassment and discrimination.

The Bank has a Sexual Harassment Policy, which supports the Board's stance and documents the Bank's approach to preventing and responding to sexual harassment, including how reports in relation to sexual harassment can be made.

The Environmental, Social, Governance & Remuneration Committee has responsibility for supporting the Board to ensure the Bank's obligations in relation to sexual harassment, including under the Respect@Work legislation, are satisfied.

All Directors and employees receive training on the Sexual Harassment Policy as a part of their induction training to the Bank and on an ongoing basis, annually.



Section 4 - Safeguard the integrity of corporate reporting

4.1 An Appropriately Structured Audit Committee

The Audit Committee assists the Board in relation to matters concerning:

- ▶ The quality and integrity of financial reporting
- ▶ The adequacy of internal controls relating to financial reporting
- ▶ Internal and external audit, including engagement, processes, reporting, and actions
- ▶ In conjunction with the Risk Committee, the Risk Management Framework and internal control framework
- ▶ Whistleblower procedures and reporting

The current composition of the Audit Committee is detailed earlier in this Statement. The Audit Committee Chair is an independent Director who is not the Board Chair.

The Audit Committee is governed by a charter, which is available on the Bank's [website](#).

4.2 CEO and CFO Declarations in Relation to Financial Statements

The Board is responsible for approving the Bank's annual financial statements in accordance with the Corporations Act. It is assisted by the Audit Committee, which reviews the financial statements on an initial basis and recommends them to the Board for approval.

Prior to approving the annual financial statements, the Board receives a Management representation letter provided to the External Auditor and signed by the CEO and Chief Finance Officer ('CFO') and other applicable senior executives that provides assurance that the financial statements present a true and fair view of the Bank's financial position, comply with applicable accounting standards and that all relevant, material information has been provided to the External Auditor.

4.3 Integrity of Corporate Reporting

The Bank's annual financial statements are subject to audit and review by the Bank's External Auditor, KPMG. The External Auditor is required by the Corporations Act and accounting standards to be independent of the Bank, Board and Management.

The Bank does not currently publish any corporate reports other than its Annual Report, which includes its annual financial statements and a review of its operations and activities for the year. However, it is currently developing an ESG Strategy, which in conjunction with proposals for legislated mandatory climate related financial disclosures in Australia, will likely require the production of a sustainability report. The Bank will consider appropriate assurance arrangements in relation to any sustainability reporting it produces in due course.



Section 5 - Member Engagement

5.1 Annual General Meeting

In accordance with the Bank's Constitution and the Corporations Act, the Bank is required to hold an annual meeting of members (the 'Annual General Meeting'), within five (5) months of the end of each financial year.

Subject to the requirement in any given year, the Annual General Meeting generally considers the following business:

- ▶ The Bank's financial statements and the External Auditor's report.
- ▶ The election or re-election of Directors by members.
- ▶ Proposals to increase the aggregate remuneration paid to the Bank's Elected Directors.
- ▶ Any proposal to amend or replace the Constitution.

The Board recognises the importance of the Annual General Meeting to members given the opportunity it provides for them to interact with Directors, Management and the External Auditor in relation to the operation of the Bank and its financial performance.

To encourage participation at the Annual General Meeting, the Bank:

- ▶ Announces the date of the Annual General Meeting well in advance.
- ▶ In the preceding two years has facilitated member attendance by holding the Annual General Meeting as a 'hybrid' event with a physical meeting held at the Bank's Head Office which is audiocast to those members who wish to attend remotely.
- ▶ Provides the opportunity for members to vote online and to submit written questions to the Board or the External Auditor in advance of the Annual General Meeting. Opportunity is also provided for members to submit questions in person or online during the Annual General Meeting.

Material Information Relevant to Election or Re-Election

The Notice of Annual General Meeting provided in advance of the Annual General Meeting to each member provides all material information relevant to the resolutions to be voted on, including in relation to their decision to elect or re-elect an Elected Director.

The information provided to members in relation to the election or re-election of an Elected Director includes information in relation to the Elected Director's skills, knowledge, experience, fitness, propriety, and independence. It also includes a statement from the Board as to whether or not it endorses the Elected Director's election or re-election.

Resolutions

All resolutions put to members for approval at the Annual General Meeting are determined on a poll and not by a show of hands. This ensures that the votes of all members who wish to vote on a resolution are accurately counted towards determining the outcome of a resolution.

5.2 Communication Preferences

Members are able to elect to receive corporate communications from the Bank in accordance with their communication preferences, including by way of electronic communication.



Section 6 - Recognise and manage risk

6.1 An Appropriately Structured Risk Committee

The Risk Committee assists the Board in relation to matters concerning:

- ▶ The Bank's risk profile and risk appetite
- ▶ The Risk Management Framework and Risk Management Strategy
- ▶ The design, implementation and oversight of frameworks, policies, plans, processes and controls under the Risk Management Framework
- ▶ The risk management and compliance function and culture
- ▶ Business continuity testing

The current composition of the Risk Committee is detailed earlier in this Corporate Governance Statement. The Risk Committee Chair is an independent, non-executive Director

The Risk Committee is governed by a charter, which is available on the Bank's [website](#).

6.2 Annual Review of Risk Management Framework

The Bank has an established Risk Management Framework that underpins the development and implementation of strategies, policies, procedures and controls to manage its material risks.

The Risk Committee reviews and the Board approves the Risk Management Framework on an annual basis as required by APRA Prudential Standard CPS 220 *Risk Management* ('CPS 220').

In accordance with the requirements of CPS 220, the appropriateness, effectiveness and adequacy of the Risk Management Framework are subject to a comprehensive external review at least every 3 years. The Board makes a declaration in relation to the risk management of the Bank in accordance with CPS 220 on an annual basis. This declaration is submitted to APRA.

6.3 Structure and Role of the Internal Audit Function

The Bank's internal audit function is outsourced to Grant Thornton.

Grant Thornton attends meetings of the Audit Committee, has a direct line of communication with the Audit Committee Chair and is regularly provided with the opportunity to meet with the Audit Committee without Management present.

The findings and recommendations arising from the internal audit reports prepared by Grant Thornton are presented to the Audit Committee and used to drive ongoing improvements in the Bank's risk management and internal control processes. The Audit Committee tracks open internal audit recommendations and actions through to Management completion. Where relevant, internal audit reports are also shared with the Risk Committee.

6.4 Disclosure of Material Environmental and Social Risks

The Bank is currently developing an ESG Strategy, which will include the identification of its key environmental and social risks and the steps taken by it to manage these on behalf of its stakeholders. The Bank is also in the preliminary phases of investigating climate-related financial disclosures and reporting, which will become mandatory for the Bank in future years under mandatory climate related financial disclosure requirements introduced into the Corporations Act.



Section 7 - Remunerate fairly and responsibly

7.1 An Appropriately Structured Remuneration Committee

The Bank's approach to remuneration is to remunerate fairly, relative to employee capability, market evaluation and industry standards while responsibly balancing risk and remuneration in accordance with APRA Prudential Standard CPS 511 *Remuneration* and having regard to the Bank's ability to remunerate.

The Environmental, Social, Governance & Remuneration Committee assists the Board in relation to matters concerning:

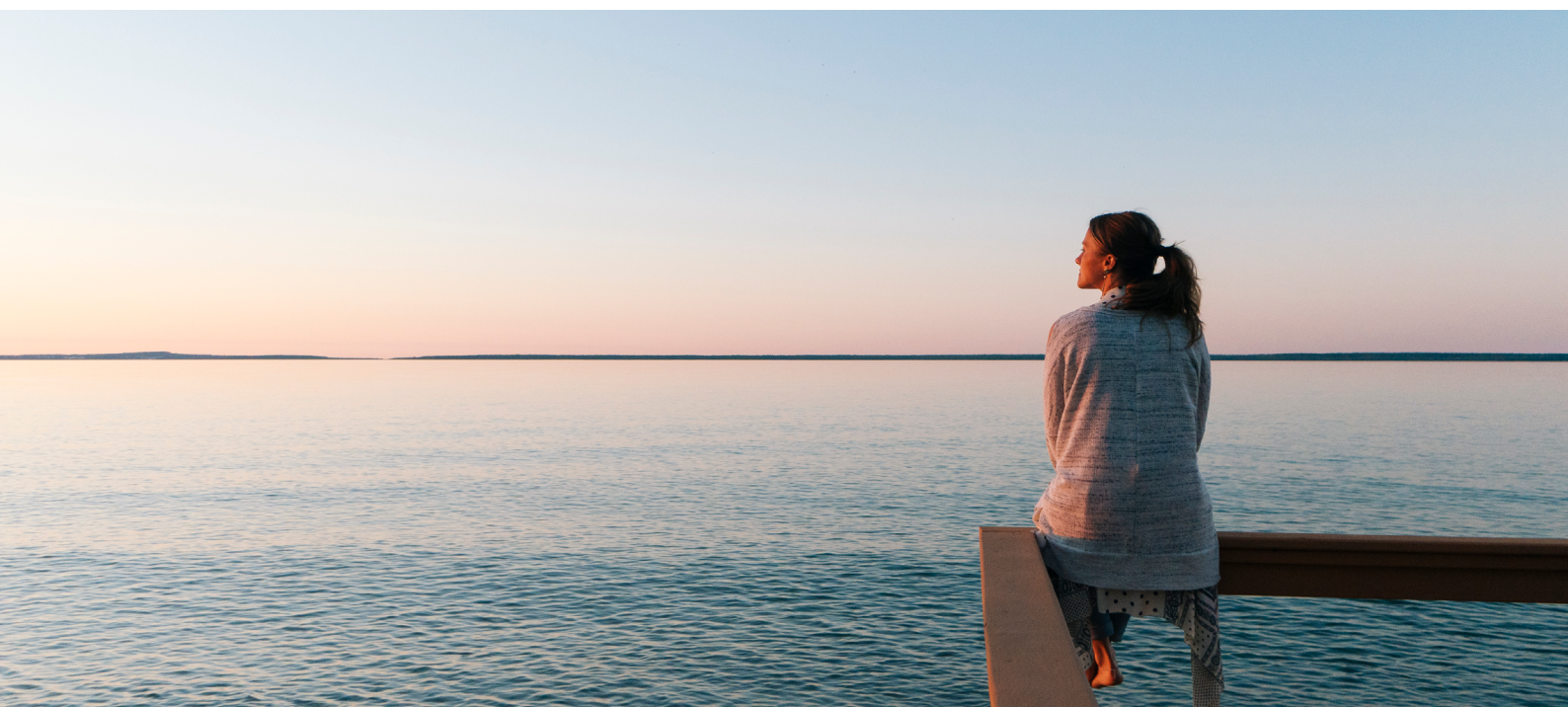
- ▶ Principles and strategies for the Bank's Remuneration Framework
- ▶ The Remuneration Policy
- ▶ Remuneration arrangements for Directors
- ▶ Remuneration arrangements and outcomes for the Chief Executive Officer and remuneration outcomes for the Chief Executive Officer's direct reports and for other individuals specified in the Remuneration Policy.

The current composition of the Environmental, Social, Governance & Remuneration Committee is detailed earlier in this Corporate Governance Statement. The Environmental, Social, Governance & Remuneration Committee Chair is an independent, non-executive Director.

The Environmental, Social, Governance & Remuneration Committee is governed by a charter, which is available on the Bank's website.

Further Information

Further information in relation to the Bank's corporate governance practices, including copies of a number of the key governance documents referred to in this Statement, can be found on the Corporate Governance page of the Bank's [website](#).



Contact us

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