

Invitation and notice of 2022 Annual General Meeting

Notice is hereby given that the 65th Annual General Meeting of Bank Australia Limited will be held at:

Venue	Date	Time
Melbourne Museum Theatre Room 11 Nicholson St, Carlton VIC 3053	Wednesday 23 November 2022	Registration opens at 5.00pm The meeting will commence at 6.00pm

Join us from 5pm to meet some of our community customers who have received support from Bank Australia, including recipients of our Impact Fund. These customers will be on hand to talk about the work they do to benefit people and the planet.

The meeting will commence at 6.00pm with a guest speaker.

A live broadcast of the meeting will be hosted online meetings.linkgroup.com/bankaust22

Annual General Meeting attendance

To RSVP your attendance please call 132 888 or email 2022AGM@bankaust.com.au

If you cannot join us at this time in person or virtually, highlights from the meeting will be recorded and posted on our website. Please visit bankaust.com.au/2022AGM.

This event will be wheelchair accessible and AUSLAN interpreted. Please contact us if you have other access requirements so that we can ensure your participation in our event.

Voting

Voting opens on **Monday 24 October 2022**. You can vote online at bankaust.com.au/2022AGM or contact us on 132 888 or email 2022AGM@bankaust.com.au to ask for a postal ballot pack to be sent to you.

Any postal votes have to be received by the Returning Officer by 5.00pm Thursday 17 November 2022.

Online voting will close at 5.00pm Monday 21 November 2022.

Ask a question

Members are encouraged to raise questions prior to the Annual General Meeting via email to 2022AGM@bankaust.com.au or write to the Company Secretary at Locked Bag 2035, Collingwood, Victoria, 3066.

Members will also be able to ask questions in person or virtually during the Meeting.

A telephone facility will also be available for members (or their proxy, attorney or corporate representative) who are online but prefer to ask questions verbally. To ask questions during the meeting using the teleconference facility, you can phone 1800 434 064 (within Australia), or +61 2 9000 2115 (outside Australia), and use your unique personal identification number (PIN). Your unique PIN is required for verification purposes, and may be obtained by contacting Link Market Services Limited on 1800 990 363, or +61 1800 990 363 (outside Australia) by 5.00pm, Monday 21 November 2022.

Consistent themes raised prior to the meeting will be addressed by the Chair or Managing Director during their presentations.

Impact & Financial Reports

Bank Australia's Impact Report and Statutory Financial Report may be obtained from or inspected at any of the **Bank's branches or offices by Tuesday 1 November 2022**.

The Impact Report and Statutory Financial Report will also be available online at bankaust.com.au from this date.

Agenda – Annual General Meeting

1. Opening and apologies – Chair
2. To note the Minutes of the 64th Annual General Meeting of Bank Australia Limited held on 24 November 2021
3. Presentation – Chair
4. Presentation – Managing Director
5. To receive and consider the Financial Report, the Directors' Report and the Independent Auditors' Report for the financial year ended 30 June 2022
6. To declare the results of the 2022 Director election
7. To consider, and if thought fit, approve an ordinary resolution to determine the amount of Non-Executive Directors' remuneration.
8. To consider, and if thought fit, approve an increase to Non-Executive Directors' remuneration in order to facilitate the potential appointment of an additional Non-Executive Director
9. Close of official Annual General Meeting proceedings.

Refer to explanatory notes for agenda items 5 – 8.

Explanatory Notes to Resolutions

Agenda Item 5 – Financial Reports

The Corporations Act 2001 requires the Financial Report, the Directors' Report and the Independent Auditors' Report of the Bank to be laid before the Annual General Meeting.

Shareholders will be provided with an opportunity at the Annual General Meeting to ask questions in relation to these reports.

Agenda Item 6 – 2022 Director Election

At this time each year shareholders are contacted regarding the annual election of Directors. The Materials for this year's election are included with this notice.

Report of the Nominations Committee

The Nominations Committee is established by the Bank Australia Board in accordance with Appendix 3 Section A3-4(1) of the Company's Constitution.

The Committee's purpose is to assess the fitness and propriety of potential candidates for the office of Director of the Company, in accordance with the Fit and Proper Policy and the Constitution.

The Nominations Committee hereby declares that:

- There were no nominated candidates who failed to make themselves available for interview by the Nominations Committee
- The following nominated candidates demonstrated an ability to be Directors of Bank Australia in accordance with Clause A3-4(7):
 - Helen Gluer
 - Janet Matton

Juliet Brown

Chair, Nominations Committee

Agenda Item 7– Non-Executive Directors' Remuneration

The Board recommends the following ordinary resolution:

"That the total sum payable to the seven Non-Executive Directors by way of fees and superannuation be increased by \$47,628 per annum. The directors may determine how this sum is to be apportioned among them and how and when it is to be paid. The said increased sum includes relevant taxes payable either by the Bank or Directors."

Please note the proposed increase of \$47,628 lifts total Director Remuneration to \$728,028 per annum. This pool of funds is for aggregate Non-Executive Directors' remuneration and is not the amount paid to individual Directors'. The sum represents an increase of 7%.

Subject to member approval and determination by the Board it is intended for Non-Executive Directors to be paid \$86,670 p.a. (base remuneration up from \$81,000 or 7%), Committee Chairs' to be paid \$104,004 p.a. (a 20 percent loading on base remuneration and up from \$97,200 or 7%) and the Board Chair to be paid \$156,006 p.a. (an 80 percent loading on base remuneration and up from \$145,800 or 7%).

Explanatory Notes

It is an appropriate time for the remuneration of Bank Australia Non-Executive Directors to be adjusted commensurate with the changing responsibilities of the Directors and growth of the Bank. The organisation and its environment have changed substantially over the last decade.

Directors' Responsibilities include:

- Ensuring a successful and viable organisation that meets its members' needs and its fiduciary responsibilities
- Ensuring there is a strong and effective governance framework in place
- Setting the tone for the culture
- Effective oversight of the risk management framework
- Taking reasonable steps to prevent matters from arising that would adversely affect the prudential standing or prudential reputation

External Environment changes include:

- A faster and more sophisticated cyber security environment
- New and more demanding regulations including the Bank Executive Accountability Regime
- Heightened expectations from regulators, governments and members, including as a result of the Financial Services Royal Commission
- Impacts arising from changes to the economic environment and evolving work practices.

Governance & Remuneration Committee

The Board has a Board Governance & Remuneration Committee and a Remuneration Policy that aligns remuneration and risk management.

Board remuneration is fixed and does not contain any variable performance based components to ensure alignment with prudent risk. Remuneration is designed to encourage behaviour that supports:

- the Bank's long-term financial soundness
- the risk management framework of the bank.

The Governance & Remuneration Committee has sought and considered advice from independent sources in relation to remuneration of the Board of Directors with the finance industry generally and the customer owned banking sector specifically. Maintaining competitive remuneration ensures the Bank is able to continue to attract talented Directors to undertake the corporate responsibilities of serving on the Board of a financial institution.

Agenda Item 8 – Approving remuneration in order to facilitate the potential appointment of an additional Non-Executive Director

The Board recommends the following ordinary resolution:

"That total Director Remuneration is increased by \$86,670 to facilitate the potential appointment of an additional Non-Executive Director."

This increase would enable the Board, if it considers necessary to ensure ongoing effective governance, to increase the Board from 7 to 8 Non-Executive Directors.

Please note the proposed increase of \$86,670, if approved by members, would lift total Director Remuneration to \$814,698 per annum.

The proposed increase would only be used if the Board appointed an additional non-Executive Director and would not be spent if no such appointment was made.

A Board skills gap analysis will be undertaken post the 2022 Director election and consideration will be given to the effective governance of the Board commensurate with the scale and complexity of the bank.

Give us a call 132 888

Visit us bankaust.com.au/support/branches

Bank Australia Limited ABN 21 087 651 607 AFSL/Australian Credit Licence Number 238431

