

Corporate Governance Statement.

(As at 30 June 2016.)

CORPORATE GOVERNANCE

ME is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Bank and its shareholders. We believe that good corporate governance is based on a set of values and behaviours that underpin day-to-day activities; provide transparency and fair dealing; and promote financial stability and healthy economic growth that can deliver better outcomes for our customers and help all Australians get ahead.

In performing its role, ME's Board is committed to a high standard of corporate governance practice and fostering a culture of compliance which values ethical behaviour, personal and corporate integrity, accountability and respect for others.

Our approach to corporate governance takes account of a range of principles and frameworks including the ASX Corporate Governance Council Principles and Recommendations, and APRA Prudential Standards. The Board is conscious that best practice in the area of corporate governance is continuously evolving, and will continue to anticipate and respond to further corporate governance developments.

This Corporate Governance Statement outlines the key components of ME's Corporate Governance Framework, which provides guidance for the Board, Executives and employees. It defines their respective roles, responsibilities and the conduct expected of them. The framework establishes the structure through which the Bank sets its objectives, as well as ensuring strategic guidance of the Bank, the effective monitoring of the ongoing performance of management by the Board, and the Board's accountability to the Bank and its shareholders.

BOARD

ME is committed to ensuring that the composition of the Board continues to include Directors who bring an appropriate mix of skills, experience and diversity to Board decision-making.

As of 30 June 2016, the Board comprised six independent Directors. Mr Ken Hodgson was appointed Chairman as of 1 January 2016. The appointment of Ms Cheryl Bart to the Board as of 1 July 2016 fills the casual vacancy arising following the resignation of Ms Sally Herman on 5 October 2015.

The Bank seeks to have a Board that has the right mix of individuals with relevant attributes, skills, knowledge and experience, with the overall collective competence to deal with the Bank's current and emerging issues and effectively review the performance of management. These criteria are summarised on the following page.



Attributes

- Commitment to the Bank's values
- Willingness to embrace change and resolve dilemmas
- Ability to confront and defuse political interference so that it does not prevent sound decision-making
- Ability to focus on the big picture and strategic context of decisions
- Capacity to build harmonious, productive working relationships
- Confidence to express views openly at all levels
- Strong desire to see the management team develop and succeed
- Ability to focus on the process by which results are achieved as well as the results themselves
- Ability to consider various alternatives when faced with complex situations
- Desire to contribute to long-term success as opposed to short-term expediency

Skills, knowledge and experience

- Retail banking
- Superannuation
- Industrial relations
- Human resource management
- Sales
- Marketing and branding
- Accounting and finance
- Risk management and controls
- IT
- Digital
- Governance
- Communications
- Auditing
- Compliance

The Board has a diverse range of experience in banking and financial services as well as in other sectors. The experience of the Board members is set out on the following page.

Table 1 - Board skills matrix.



Ken Hodgson – Chairman

Director since January 2012
Chairman since January 2016

In addition to his role as Chairman of the Board, Mr Hodgson is the Chair of the People and Remuneration Committee and the Nominations Committee. During the year, he was also a member of the Audit and Governance Committee and the Risk and Compliance Committee. He is a Director of Hydro Tasmania and spent 28 years working at Westpac and National Australia Bank in their retail banking divisions – including as General Manager Consumer Financial Services at Westpac and as General Manager Personal Financial Services at National Australia Bank.



Anne De Salis – Non-Executive Director

Director since May 2008

Ms De Salis is a member of the People and Remuneration Committee and Digital Committee. She is currently a Director of Superannuation Consumers’ Centre and National Indigenous Pastoral Enterprises Board. She has a diverse career spanning the public and private sectors, with considerable experience in financial services, and has held senior executive/director positions with AMP, MBF Australia, the Commonwealth Treasury and the Office of the Prime Minister, Rt Hon Paul Keating.



Christine Christian – Non-Executive Director

Director since November 2012

Ms Christian was appointed the Chair of the Audit and Governance Committee and Chair of the Risk and Compliance Committee following Ms Herman’s resignation. Ms Christian was also a member of the Digital Committee until November 2015. Ms Christian is an Independent Company Director; her current directorships include Powerlinx, Inc., State Library of Victoria, Sherpa Systems Pty Ltd, Lonsec Financial Group and Victorian Managed Insurance Authority. She has served in senior executive roles in Australia and overseas primarily in the credit risk, financial services and global business publishing sectors – including 14 years as Chief Executive Officer of Dun & Bradstreet Australia and New Zealand.



Garry Weaven – Non-Executive Director

Director since April 2000
Chairman from February 2015 to December 2015

Mr Weaven is a member of the People and Remuneration Committee. He is the Chairman of Industry Super Holdings Pty Ltd (ISH) and other entities in the ISH Group, including IFM Holdings Pty Ltd and IFM Investors Pty Ltd, and is a Director of the New Daily Pty Ltd. Mr Weaven’s background includes periods as Chairman of Pacific Hydro, Assistant Secretary of the Australian Council of Trade Unions (ACTU) and Senior Consultant to Westpac Financial Services.



Justin Milne – Non-Executive Director

Director since November 2012

Mr Milne is the Chair of the Digital Committee. He is the Chairman of NetComm Wireless Ltd and MYOB Ltd, a Non-Executive Director of Tabcorp Holdings Ltd, NBN Co, SMS Management and Technology Ltd and he is also President of Leichardt Rowing Club. He was also a Group Managing Director at Telstra and was responsible for BigPond Broadband and Telstra’s media businesses. Prior to Telstra, he was the CEO of OzEmail and the Microsoft Network.

The Board was expanded on 1 July 2016 by the appointment of Cheryl Bart AO, whose experience is set out below.



Cheryl Bart AO – Non-Executive Director

Director since July 2016

Ms Bart is a member of the Risk and Compliance Committee and Digital Committee. She is currently a Non-Executive Director of SG Fleet Ltd, Audio Pixels Holdings Ltd, Football Federation Australia and Ted X Sydney, and is Trustee of the Prince’s Charities Australia. She has a diverse director portfolio background, chairing both committees and boards across the utilities, funds management, auto-finance and leasing, broadcasting, technology and infrastructure sectors. Previous non-executive directorships include ANZ Trustees, Environment Protection Authority, Spark Infrastructure Ltd, SA Power, South Australian Film Corporation and Australian Broadcasting Corporation.



Greg Combet AM – Non-Executive Director

Director since November 2014

Mr Combet is a member of the Audit and Governance Committee and Risk and Compliance Committee. He is a Director of IFM Investors Pty Ltd and Greg Combet Pty Ltd, and a consultant to Industry Super Australia, amongst others. Mr Combet held various cabinet, ministerial and parliamentary roles within the Australian Government from 2007 to 2013 and was formerly Secretary of the ACTU and a director of AustralianSuper.

BOARD RESPONSIBILITIES

The Bank has laid solid foundations for the management and oversight of its operations and administration, including clear guidelines on who the Board comprises; well understood delineations on the roles of Chairman, Company Secretary and CEO; and clear enunciation of the Board's priorities.

The composition of the Board is determined in accordance with the Bank's Constitution and the following guidelines:

- The Board maintains a majority of independent Non-Executive Directors
- The Board comprises Directors with an appropriate range of qualifications and experience. In addition, each Director must satisfy the Board's Fit and Proper Policy (which requires that a number of external checks are undertaken at appointment and on an ongoing basis).

The Constitution provides, among other matters, that Directors may not hold office for more than three years without standing for re-election. Retiring Directors are eligible for re-election.

The Board's authority level is described in ME's Constitution and in the Bank's Authorities and Delegations Policy. The Board Charter sets out the roles and responsibilities of the Board and describes those matters expressly reserved for the Board and those delegated to management. The Board Charter, which is reviewed annually, and the Constitution are available on our corporate website www.mebank.com.au.

The primary role of the Board is to protect the rights and interests of the Bank and to create value for its shareholders and their members, with due regard to the interests of other stakeholders. The Board has overall responsibility for overseeing the effective management and control of the Bank and supervising management's conduct within a control and authority framework, which is designed to enable risk to be prudently and effectively assessed and monitored. The role of the Board is to approve strategic direction, guide and monitor management in achieving its strategic plans and oversee good governance practice.

The Board Charter outlines the roles and responsibilities of the Board. This involves:

- Appointing and, if necessary, removing the CEO
- Reviewing and approving the Business Plan and budget
- Providing strategic direction to ME by engaging with the CEO in the development and oversight of the execution of the Business Plan and budget
- Monitoring performance against the Business Plan and budget, and reviewing that performance with the CEO
- Forming a view about the risk culture of the organisation and providing direction on any actions the Board believes are necessary to ensure alignment between the risk culture and ME's risk appetite
- Setting ME's risk appetite and ensuring that ME has in place an appropriate risk management framework and processes which support that appetite and within which management must operate

- Approving any major corporate initiatives
- Ensuring that management decisions are consistent with delegated authorities and the interests of shareholders
- Overseeing the integrity of ME's accounting and corporate reporting, including the external audit
- Assisting the CEO in creating the desired staff culture
- Fostering an environment of innovation and deep customer understanding
- Supporting the CEO in nurturing staff and developing succession plans
- Approving the remuneration framework
- Ensuring ME's shareholders are provided with the appropriate information in a timely manner
- Performing such other functions as are prescribed by law or assigned to the Board.

The Board meets regularly and follows meeting protocols designed to ensure that all Directors are appropriately informed and properly consider all agenda items.

CHAIRMAN AND COMPANY SECRETARY'S DUTIES

The Chairman is elected from the independent Non-Executive Directors. The responsibilities of the Chairman are set out in the Board Charter.

The Company Secretary is appointed by the Board. The Company Secretary attends Board and Board Committee meetings and is responsible for providing Directors with advice on corporate governance and other issues affecting the functioning and operations of the Board.

The Company Secretary is responsible for monitoring compliance with the Board's procedures and implementing the governance framework to give practical effect to the Board's decisions. The Company Secretary is also responsible for facilitating good information flows within the Board and its Committees and between the Directors and management as well as the induction of new Directors and the ongoing professional development of Directors.

BOARD COMPOSITION

The Board is conscious of the need to ensure proper processes are in place to deal with succession issues at a Board level. The Board believes that succession and renewal planning should be managed over the medium to longer term, and that the length of service of each Director is appropriately balanced. The current Directors possess an appropriate mix of skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Bank's strategic priorities.

The Board has established a Nominations Committee, with responsibilities which include identifying new Directors from time to time. As part of the process of recruiting and evaluating suitable candidates for appointment as a Director, an external independent recruitment firm may be engaged.

Furthermore, before any letter of appointment is issued to a new Director, enquiries, reference checks, checks of bankruptcy and criminal records, and validation of other records are carried out to satisfy the Board that the person is of sound character and has the relevant attributes desired by the Board to be a Director of ME. In addition, Directors must satisfy any other requirements as set out in, or made in accordance with, the Fit and Proper Requirements in the Fit and Proper Policy.

INDEPENDENCE

The Board of ME recognises the importance of independent judgement and constructive debate on all issues under consideration. Directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any business relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement, having regard to the best interests of the Bank and its stakeholders as a whole.

PERFORMANCE AND EVALUATION

The Board and its Committees carry out regular evaluations. A program is in place for the annual self-evaluation of performance by the Board and each of its Committees. The Nominations Committee did not undertake an evaluation for FY16. A self-evaluation of performance of each of the Risk and Compliance Committee and People and Remuneration Committee was undertaken in February 2016. A self-evaluation of the performance of each of the Audit and Governance Committee and Digital Committee was undertaken in March 2016. The outcomes of the questionnaires were collated and the results were reported to the relevant Committee and the Board.

The Board self-evaluation was conducted in April 2016, with the results discussed at the May meeting. The Chairman also conducted one-on-one discussions with all Directors.

DIVERSITY

ME is a values-based organisation committed to creating an inclusive culture that embraces and values diversity. ME's approach encompasses both diversity and inclusion, as ME believes they are inextricably linked. Our values contain a strong connection to diversity and inclusion, which are embedded in the culture and programs across the organisation. The Board's People and Remuneration Committee is overseeing the development of a plan for the Bank based on the principle of having 'an agenda of more than gender'. In 2016, in alignment with the Business Plan, ME will review and implement an updated action plan for diversity and inclusion at ME.

DELEGATED AUTHORITY

The Constitution and the Board Charter enable the Board to give delegations to Board Committees, the CEO and the Executive team. Matters reserved for the Board include decisions about ME's strategy, major projects and transactions, and the appointment and dismissal of the CEO. The roles and responsibilities delegated to the Board Committees are captured in the Charters of each of the five established Committees.

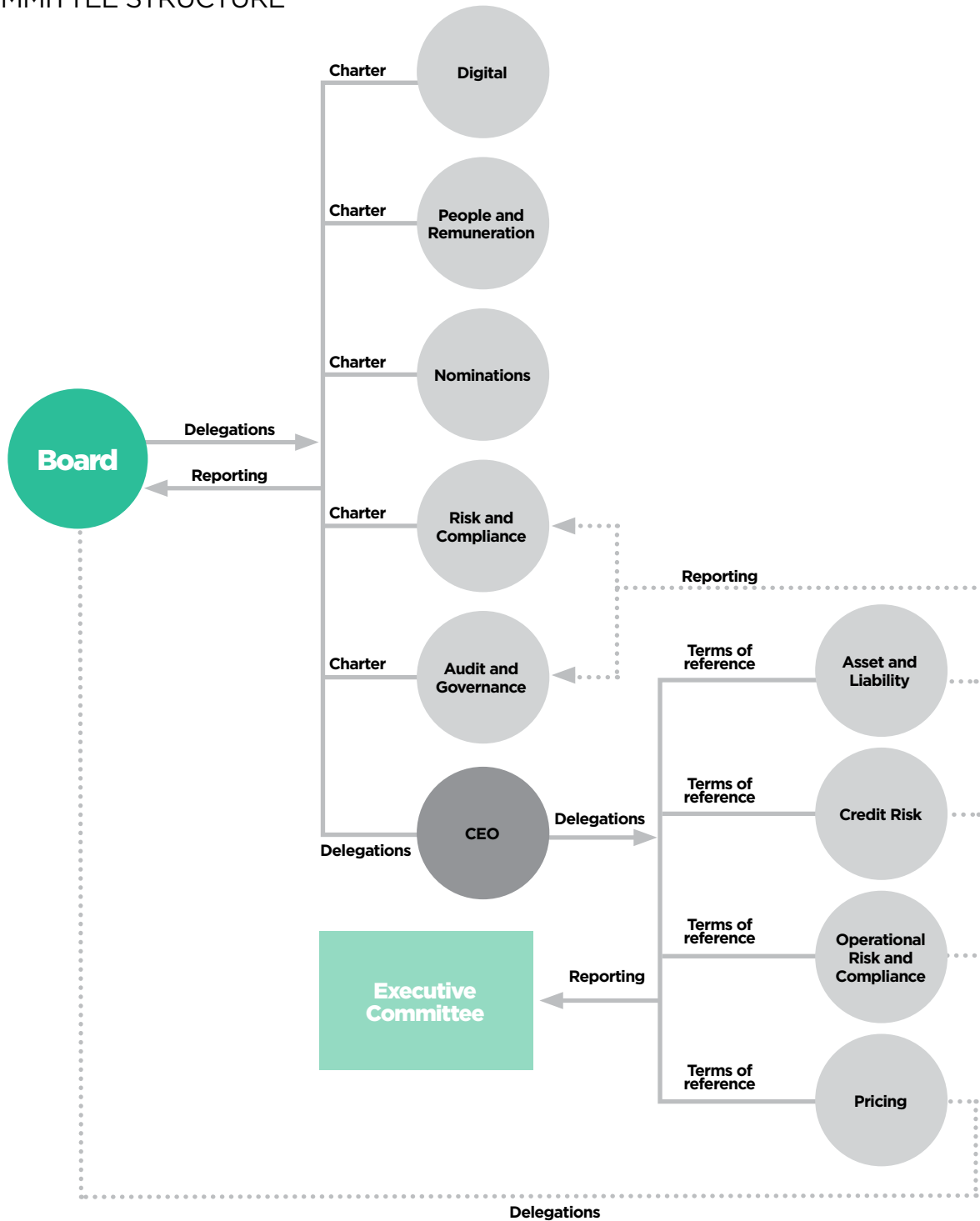
The Board has established an Audit and Governance Committee, a Risk and Compliance Committee, a People and Remuneration Committee, a Digital Committee and a Nominations Committee to assist with the execution of its responsibilities.

All Directors have a standing invitation to attend Committee meetings where there is no conflict of interest. The Charter for each of the Committees provides that they act in an advisory capacity to the Board or exercise a delegated authority. The purpose of each Committee is set out in the respective Committee Charters, which are available on our corporate website www.mebank.com.au.

The diagram on the right shows the current Committees of the Board. From time to time, the Board may form other Committees or request Directors to undertake specific duties.

The Executive Committee, Asset and Liability Committee, Credit Risk Committee, Operational Risk and Compliance Committee and the Pricing Committee are not Board Committees, but sit beneath the CEO to implement Board-approved strategies, policies and management of risk for ME.

ME BOARD AND COMMITTEE STRUCTURE



The Authorities and Delegations Policy, approved by the Board, governs the relevant authorities and delegations for the operation of ME, including appropriate escalation and reporting to the Board.

ROLE OF THE CEO

The CEO is responsible for the leadership and management of the ME Group. The Board delegates the responsibility for the execution and administration of operations to the CEO, and this includes responsibility for implementing ME's strategic direction and managing ME's day-to-day operations. The scope, and specific limits, of the authority delegated to the CEO and the Executive team are clearly documented. These delegations balance effective oversight with appropriate empowerment and accountability of management.

INDUCTION OF NEW DIRECTORS AND ONGOING DEVELOPMENT

New Directors are provided with a letter of appointment and participate in a comprehensive induction program covering ME's financial, strategic, operational and risk management position. Appointees are provided with an information pack including governance policies and business information, and receive presentations on ME's business functions by key members of the Executive and Senior Management teams.

All Directors are expected to maintain the skills required to carry out their obligations to the Bank. On an ongoing basis, Directors are provided with papers, presentations and briefings on a range of topics relevant to the Bank's business activities.

CODE OF CONDUCT AND PRINCIPLES FOR DOING BUSINESS

The Board recognises the importance of being an inclusive employer and the value of a safe, fair and respectful workplace where there is no room for intolerance. ME is a place where teamwork is valued and diversity is celebrated. The Board is committed to embracing diversity and creating an environment where everyone can reach their full potential across the organisation.

ME has a Code of Conduct which provides an ethical and legal framework for all Directors, employees and contractors. The Code of Conduct sets out a number of overarching principles of ethical behaviour which are set out under the following headings:

- Integrity
- Respect
- Be Your Best
- Live Our Values.

Training about the Code of Conduct is part of the induction process for all new ME employees. It is also a requirement that ME employees complete regular online refresher training about the Code of Conduct.

As a values-based organisation, ME believes in free and open communication on even the most difficult of issues. ME's values of Love Monday, Have a Swing, Ride the Subway, Stay Hungry and Go to the Moon allow for all employees to feel confident they may, in good faith, raise concerns internally. The Code of Conduct provides a mechanism to enable employees to report actual or suspected breaches, including through the Speak Up Policy.

The Board also continues to actively listen to the needs of its employees through the annual howÜdoin? employee engagement survey.

CONFLICTS OF INTEREST

Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is or is likely to be brought before the Board. All Directors are required to disclose any actual, potential or perceived conflicts of interest prior to their appointment and on an ongoing basis. Directors are required to keep these disclosures to the Board up-to-date through formal standing notices.

The Bank's Conflicts of Interest Policy and Board Disclosure of Interests and Handling Conflicts of Interest Procedures set out disclosure obligations and procedures to be followed by Directors in the event of a conflict or potential conflict of interest or duty.

The ME Board is responsible for ensuring that the Bank's conflicts of interest systems and controls are appropriately designed and effectively implemented across the Bank.

FIT AND PROPER PERSON ASSESSMENT

ME has a Board-approved Fit and Proper Policy that meets the requirements of APRA Prudential Standards. The fitness and propriety of all Directors and any senior manager of any ME company is assessed annually against a variety of criteria outlined in the Policy.

BOARD AUDIT AND GOVERNANCE COMMITTEE

The Board is ultimately responsible for the sound and prudent management of the Bank, including oversight of ME's Risk Management Framework, which governs the way ME manages risks arising in its operations. In discharging its responsibilities, the Board places reasonable reliance on the recommendations and advice from the Audit and Governance Committee, external advisers and management. The Audit and Governance Committee maintains direct, unfettered access to the Bank's external auditor, internal auditor, management and heads of risk management functions. Details of the number of Audit and Governance Committee meetings held during the year, and attendance at those meetings, are set out in the Directors' Report, which forms part of the 2016 Annual Financial Report.

The Charter of the Audit and Governance Committee provides that it assists the Board in fulfilling its corporate governance and oversight responsibilities by monitoring ME's internal control system, Risk Management Framework and internal and external audit functions to maintain the integrity of financial reporting.

Under its Charter, the Audit and Governance Committee must have at least three members, the majority being independent Non-Executive Directors. The Charter also requires that all members have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting-related financial management expertise. The Charter is reviewed and updated annually.

The Charter includes the authority and powers, responsibilities, duties and composition of the Committee. The Charter is available on our corporate website www.mebank.com.au.

The Chair of the Audit and Governance Committee reports to the Board on the Committee's proceedings and all matters relevant to the Committee's duties and responsibilities. Minutes of meetings are included in the papers for subsequent Board meetings.

The Board has delegated responsibility to the Audit and Governance Committee for ensuring that ME has in place, and that ME employees are aware of, policies and procedures for ME employees to submit in a confidential manner information about accounting, internal control, compliance, audit and other matters about which the employee has concerns.

In addition to this open communication, ME has established the Speak Up Policy to give ME employees an avenue for speaking up regarding actual or suspected inappropriate conduct or activities. This includes instances where the employee is reluctant to, or it would be inappropriate to, follow a standard notification process or if the person wishes to make the report anonymously.

EXTERNAL AUDITOR

The role of the external auditor is to provide an independent opinion that the Bank's financial reports are true and fair, and comply with applicable regulations. Our external auditor is Deloitte Touche Tohmatsu and has been engaged since March 2007. Under the Bank's Auditor Independence Policy, the audit engagement partner rotates every five years. The Audit and Governance Committee is responsible for making recommendations to the Board on the selection, appointment, evaluation and removal of the Bank's external auditor.

The external auditor must refuse to accept engagements involving non-audit services under which the auditor assumes the role of management, becomes an advocate for the ME Group, or offers services that could be reviewed as part of the audit.

The external auditor attends the Bank's annual general meeting (AGM) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

As part of the approval of the financial statements, the Board will receive certification from the CEO and CFO that the financial records of the Bank have been properly maintained to provide for a true and fair view of the Bank's financial position and performance to be prepared, and that the financial statements and notes provide for and comply with all relevant accounting standards.

ACCOUNTABILITY

ME has a Prudential Disclosures Policy, which provides for the Bank to meet its obligations to make public disclosures that reflect the scope and complexity of the Bank's operations (including the sophistication of its risk management systems and processes) and that are appropriate, accurate, high quality and timely. The disclosures are intended to provide information that contributes to the transparency of financial markets and enhances market discipline.

As in past years, PricewaterhouseCoopers (PwC) was commissioned to prepare a valuation of ME as at 30 June 2016. Copies of the valuation are made available to all shareholders.

The Audit and Governance Charter requires the Committee to review the effectiveness of ME's financial reporting. Communications about the half and full-year financial results are approved by the Board before they are published.

SHAREHOLDER COMMUNICATION AND PARTICIPATION

ME recognises the importance of keeping its shareholders fully informed and has an established Network Engagement Framework which provides pathways for two-way communication between the Bank, the Board and shareholders, including quarterly CEO updates and financial presentations.

We diligently release financial information, including our Business Plan, Valuation, half and full-year financial results and APRA regulatory disclosures. In the first instance, shareholders receive information in electronic format with an option to receive printed material.

The AGM provides an important opportunity for engaging and communicating with shareholders and is generally held in November. Shareholders are encouraged to attend and actively participate in our AGM; those who are unable to attend the AGM are able to lodge their proxies through a number of channels.

Our corporate website www.mebank.com.au provides detailed information about our business and operations. Details of ME's Board Members and Executive team can be found here. Information about our corporate governance is also available and includes the ME Constitution, Board and Board Committee Charters, Annual Review and an extensive list of other policies that support corporate governance.

RISK MANAGEMENT

The Board has a Risk Management Framework to support the identification and management of all material risks across the Bank. A strong internal controls system ensures controls are appropriately designed and implemented to help the Bank operate within the risk appetite settings approved by the Board. A standardised, integrated and risk-based assurance program provides line-of-sight across our management of all material risks, to help ensure we meet both our regulatory obligations and business objectives.

The Risk Management Framework is centred on a unifying Risk Management Statement, signed by the CEO, which outlines why good risk management is a critical enabler of our corporate objectives. Four risk management standards support the risk management policies, processes, guidelines, tools and practices that enable ME to meet stakeholder expectations.

Collectively, these elements of our framework:

- Allow the Board to establish and monitor risk appetite limits that reflect organisational strategy and good governance
- Measure, across highly quantifiable risk classes such as credit, market, and liquidity risk, the risk capacity of the organisation, and apply meaningful risk tolerances
- Measure, across more qualitative risk classes, specifically operational risks, the relative distribution of risk exposures, and develop and apply meaningful risk appetite limits for our 21 operational risk classes
- Monitor our risk exposures to our risk limits and provide relevant reporting and insight, for management, Board and regulators
- Ensure clear accountability for the key controls on which we rely to operate an effective business and meet our regulatory and contractual obligations
- Ensure adequate and effective business continuity and disaster recovery capabilities are in place, and regularly tested
- Support the development of new or enhanced products and services, and the projects that deliver them
- Provide insight for the Board on the risk culture of the organisation
- Assist the organisation make better risk-based decisions to achieve its purpose and business objectives.

The framework supports a Three Lines of Defence governance model, which is reflected across roles and responsibilities, management and Board Committee structures, decision-making and reporting.

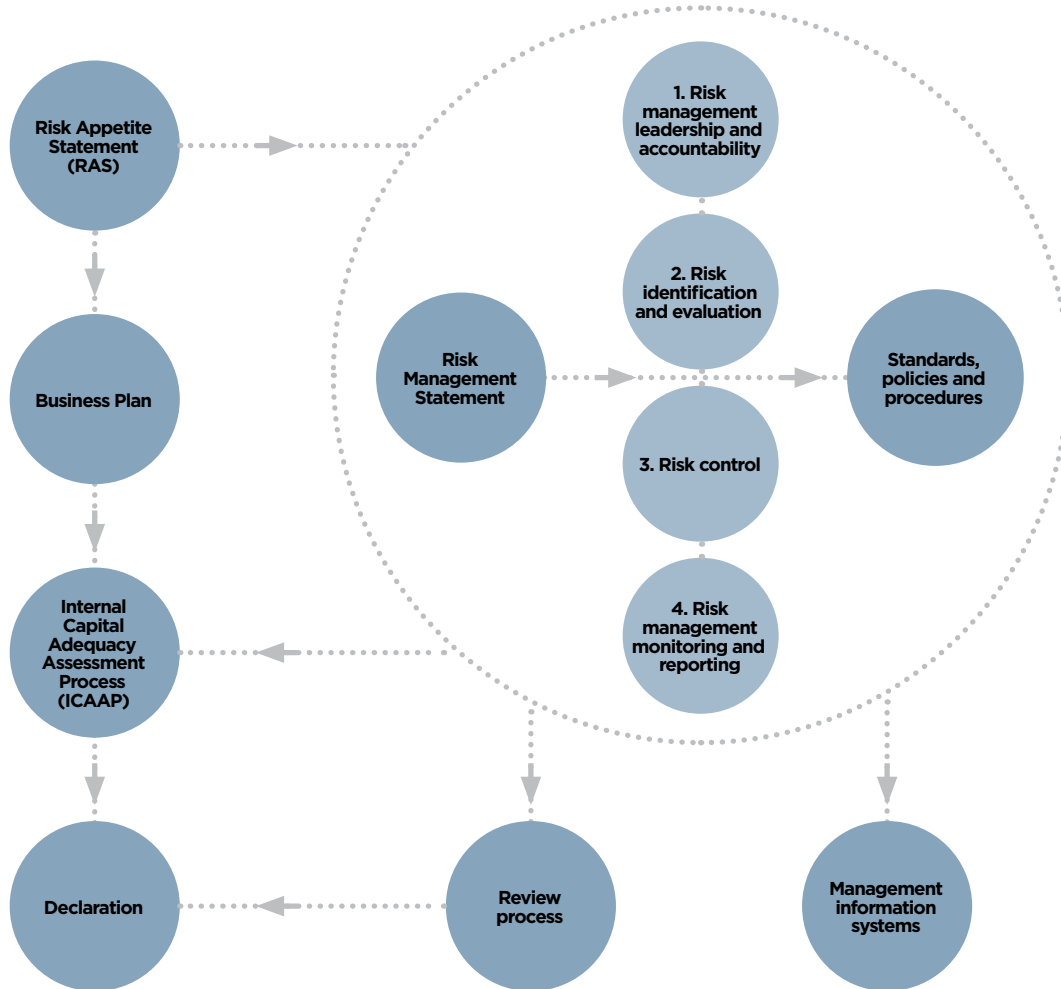
The Risk Management Framework is a living document which is updated as required.

The following Management Committees have been established to assist the Board and its Committees to oversee implementation of these policies and the underlying risk management frameworks as well as setting appropriate risk parameters and control limits:

- Credit Risk Committee
- Asset and Liability Committee
- Operational Risk and Compliance Committee.

Additionally, these Committees ensure management monitor, limit, and promote compliance with the limits set within the Board-approved Risk Appetite Statement.

RISK MANAGEMENT FRAMEWORK



In order to demonstrate that we have met APRA requirements around risk management, the Chair of the Board and the Chair of the Risk and Compliance Committee annually provide a Risk Management Declaration regarding the Bank's compliance with the prudential standards and processes to identify and manage our material risks. All management attestations are reviewed by the CEO, who puts forward a recommendation to the Risk and Compliance Committee that management do not believe there are any material gaps in our compliance with the requirements of the CPS 220 attestation.

ME's internal audit function provides assurance to the Audit and Governance Committee on the effectiveness of ME's Risk Management Framework and on the adequacy and effectiveness of the system of internal controls. The internal audit function is independent of the external auditor and carries out audits under an annual plan approved by the Audit and Governance Committee. The internal audit team makes an independent appraisal of the adequacy and effectiveness of ME's risk management and internal control systems, to provide assurance to the Audit and Governance Committee and the Board. The head of internal audit has direct access to the Chair of the Audit and Governance Committee and the internal audit team have unrestricted access to management and the right to seek information and explanations.

REMUNERATION

The People and Remuneration Committee assists the Board by ensuring that ME has coherent remuneration policies and practices that fairly and responsibly reward individuals in regard to performance, risk appetite and risk framework. The remuneration policies and practices enable ME to attract, motivate and retain Executives and Directors who will create value and support ME in achieving its purpose and overall objectives. The Committee has a formal Charter that is reviewed annually. A copy of the Charter is available on the ME corporate website www.mebank.com.au.

	Company	
	FY16 \$	FY15 \$
Key management personnel		
Short-term benefits	5,530,611	5,009,353
Other long-term benefits	-	210,880
Termination benefits	-	-
Total key management personnel compensation	5,530,611	5,220,233

Table 2 - Remuneration of key management personnel.

Board schedule of fees		
	FY16 \$	FY15 \$
Chair of the Board	168,000	168,000
Member of the Board	84,000	84,000
Audit and Governance Committee (established on 1 January 2015)		
Chair of the committee	13,500	13,500
Committee member	6,750	6,750
Risk and Compliance Committee (established on 1 January 2015)		
Chair of the committee	13,500	13,500
Committee member	6,750	6,750
People and Remuneration Committee		
Chair of the committee	13,500	13,500
Committee member	6,750	6,750
Digital Committee (formerly Technology Committee)		
Chair of the committee	13,500	13,500
Committee member	6,750	6,750

Table 3 - Board schedule of fees. All fees are inclusive of superannuation.

**The remuneration paid to each Director is set out below:
Fixed remuneration details**

Director	Membership	FY16 \$	FY15 \$
K Hodgson	Chair of the Board (appointed 1 January 2016)	84,000	-
	Member of the Board	42,000	80,622
	Audit, Risk and Governance Committee (abolished on 31 December 2014)	-	4,712
	Audit & Governance Committee	6,750	3,115
	Risk & Compliance Committee	6,750	3,115
	Chair, People and Remuneration Committee	13,500	4,985
	People and Remuneration Committee	-	2,322
		153,000	98,871
C Christian	Member of the Board	84,000	80,711
	Chair, Audit & Governance Committee (appointed 12 November 2015)	8,671	-
	Chair, Risk & Compliance Committee (appointed 12 November 2015)	8,671	-
	Audit, Risk and Governance Committee (abolished on 31 December 2014)	-	4,712
	Audit & Governance Committee (ceased 12 November 2015)	2,414	3,115
	Risk & Compliance Committee (ceased 12 November 2015)	2,414	3,115
	Technology Committee (ceased 12 November 2015)	2,414	6,481
		108,586	98,134
G Combet	Member of the Board	84,000	51,145
	Audit, Risk and Governance Committee (abolished on 31 December 2014)	-	1,346
	Audit & Governance Committee	6,750	3,115
	Risk & Compliance Committee	6,750	3,115
		97,500	58,721
A De Salis	Member of the Board	84,000	80,679
	People and Remuneration Committee	6,750	6,481
	Digital Committee	6,750	6,481
		97,500	93,641
B Fraser	Chair of the Board (retired on 5 February 2015)	-	104,760
	People and Remuneration Committee	-	4,211
		-	108,971
S Herman	Member of the Board (resigned 5 October 2015)	21,323	80,744
	Chair, Audit, Risk and Governance Committee (abolished on 31 December 2014)	-	9,423
	Chair, Audit & Governance Committee	3,427	6,231
	Chair, Risk & Compliance Committee	3,427	6,231
		28,177	102,629
J Milne	Member of the Board	84,000	80,678
	Chair, Digital Committee	13,500	12,962
		97,500	93,640
B Pollock	Member of the Board	-	29,895
	Audit, Risk and Governance Committee (abolished on 31 December 2014)	-	3,365
	People and Remuneration Committee	-	2,404
		-	35,664
G Weaven	Chair of the Board (ceased 31 December 2015)	84,000	62,330
	Member of the Board	42,000	51,545
	Chair, People and Remuneration Committee	-	5,476
	People and Remuneration Committee	6,750	2,812
		132,750	122,163
Total Directors' compensation		715,012	812,434

Table 4 - The remuneration paid to each Director.

