
Beyond Bank

AUSTRALIA

Board Charter

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Board Charter

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1. Introduction

Beyond Bank Australia Limited (BBA) is an authorised deposit-taking institution ('ADI') and an unlisted public company.

2. Purpose

- 2.1 This Board Charter (Charter) sets out the role, responsibilities, structure and processes of the Board of BBA; and
- 2.2 is supported by the BBA Code of Conduct and the charters for the Board Committees and Committee established by the Board.

3. Authority

The Board derives its authority to act from the BBA constitution and the laws governing corporations, banking and finance in Australia.

4. Role and Responsibilities

The role of the Board is to provide strategic guidance for BBA and its controlled entities (the Group) and effective oversight of management. The Board is accountable to the members of BBA for the performance of the Group's businesses and ensuring enduring value is created. In performing its role, the Board aspires to excellence in governance standards.

The responsibilities/functions of the Board include, but are not limited to:

Board's role in providing oversight and approvals

- Providing constructive oversight and challenge to management and Board decisions of BBA and the activities of the organisation
- Identifying and outlining expectations regarding organisational performance and management reporting to the Board on business operations
- Appointing the CEO
- Approval - Monitoring of delegations to the CEO
- Undertake an annual performance evaluation of the CEO
- Reviewing and approving performance and remuneration frameworks
- Establishing, assessing and approving BBA strategy and strategic initiatives
- Overseeing and challenging the financial strength and financial positions of BBA
- Critically assessing and approving various plans and policies of BBA including the Risk Appetite Statement, Risk Management Strategy, Strategic Business Plan; Recovery and Exit Plan, ICAAP, and others plans and policies requiring Board approval (as detailed in the Board Policies and Related Documents policy
- Ensuring that the affairs of BBA are conducted in a manner that serves the best interests of all of the members of BBA, and the communities it serves
- Reviewing and approving proposed dividend payments
- Conducting the activities above with due rigor and diligence. Challenging information presented to the Board and requesting further clarity, information and reporting as required to allow the Board to establish a fully informed view

Board view and actions on risk culture

- Ensuring that BBA's desired Risk Culture and the approach of the Board set a clear tone from the top, and are cascaded throughout the business
- Forming a view of the risk culture of BBA, and ensuring that expectations are set and met

Board oversight of audit

- Reviewing and submitting to a general meeting of members, any recommendations relating to the appointment or removal of the external auditor
- Evaluating and approving the appointment and termination of BBA's outsourced internal audit provider

Compliance with regulatory requirements

- Overseeing the effectiveness of BBA's compliance framework and subsequent compliance with applicable regulatory and legal requirements
- Oversight of compliance functions of BBA and management's response to any non-compliance, including remediation
- Monitoring and assessing the adequacy of compliance activities in accordance with the compliance framework

Cooperation with regulators

- Being available to, and transparent with, regulators as required
- Meeting and discussing matters with regulators as required and in a transparent, considered and cooperative manner.

5. Delegations to Management

All matters not specifically reserved for the Board, and necessary for the day to day management of the Group to achieve the Group's strategic goals, are delegated to the CEO. The CEO is free to take all decisions and actions which, in the CEO's judgment, are appropriate having regard to the limits imposed by the Board. The CEO remains accountable to the Board for the authority that is delegated and for the performance of the Group. The authority is delegated via the Board Delegations of Authority policy. All decisions are made in the context of the Board approved risk appetite.

6. Access to information

- 6.1 To assist in fulfilling their responsibilities, Directors are entitled and encouraged to ask management, through the CEO, any questions relevant to the management of BBA.
- 6.2 Directors are encouraged to seek information from external sources concerning developments in the finance and business sectors relevant to the activities of BBA.
- 6.3 Communication Protocols for the Board Chair and Committee Chairs: For the efficient operations of the Board and Board Committees, the Principal points of executive contact, other than CEO, are detailed in the table below for each of BBA's Committees

Executive Contact	Board Chair	Audit Committee Chair	Risk Committee Chair*	Governance & Remuneration Committee Chair	Nominations Committee Chair
Chief Executive Officer	X		X		
Chief Financial Officer	X	X	X		
Chief Risk Officer	X	X	X	X	X
Chief Operating Officer	X	X	X		
Chief Information Officer	X		X		
GM – Customer Experience	X		X		
GM – People and Culture	X		X	X	X
GM – Strategy, Brand & Community	X		X		
Company Secretary	X	X	X	X	X

* As per CPS510, the Board Risk Committee must have free and unfettered access to senior management, risk and financial control personnel, and other parties (internal and external) in carrying out its duties (para 108)

7. Board Membership

7.1 Size and Composition

- 7.1.1 The size of the Board will be determined in accordance with the Constitution.
- 7.1.2 Collectively, the Board members should have a broad range of financial and other skills, experience and knowledge necessary to guide the business of the Group.
- 7.1.3 The Board, via the Board Governance and Remuneration Committee, will determine and regularly review the composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by the Constitution and the terms served by existing Non-executive Directors.

7.2 Independence

- 7.2.1 The Board must have a majority of independent Directors.
- 7.2.2 The Board has adopted a definition of independence setting out the interests and relationships to be considered by the Nomination Committee in assessing the independence of each Director.
- 7.2.3 The Nomination Committee assesses the independence of Directors.
- 7.2.4 In certain circumstances a Director may be considered by the Nomination Committee to be independent where the Director does not meet one or more of the specified criteria. The Board must disclose such an assessment in the BBA Annual Report.

7.3 Conduct and Expectations

- 7.3.1 Directors must maintain the highest ethical standards in line with BBA's Code of Conduct.
- 7.3.2 Each Director is expected to:
 - 7.3.2.1 understand the needs of the Customer Owned Banking Movement generally;
 - 7.3.2.2 be familiar with BBA's goals and policies;
 - 7.3.2.3 guide and monitor the management of BBA;
 - 7.3.2.4 be familiar with the risk management plan and internal control framework operating within BBA;
 - 7.3.2.5 help achieve and maintain the shared understanding of the core purpose, core values, culture and goals of BBA;

- 7.3.2.6 maintain “decision solidarity”. Once decisions have been made, all Directors are expected to support the decision even though they may not have individually voted for it;
- 7.3.2.7 make available their expertise in the best interests of the Board's operations;
- 7.3.2.8 acquire the appropriate information and expertise; and
- 7.3.2.9 comply with the requirements of BBA's Board Member Professional Development policy.

8. Fitness and Propriety

- 8.1 Beyond Bank Australia maintains a Fit and Proper policy to help ensure compliance with APRA Prudential Standard CPS 520 Fit and Proper ('CPS 520'). A primary objective of CPS 520 is to ensure that persons who are responsible for the management and oversight of an ADI have appropriate skills, experience, and knowledge, and act with honesty and integrity.
- 8.2 The Nomination Committee assesses each person who is nominated as a candidate for an election of Directors' or who is a retiring elected Director standing for re-election, and whether it is satisfied that the person is fit and proper to be and act as a Director, by reference to BBA's Fit and Proper policy. Part of the fit and proper assessment process is to ensure that the Board maintains a mix of skills that the Board determines appropriate for the governance of the company.
- 8.3 The fit and proper assessment has two components, these being:
 - 1. assessing whether the person has demonstrated an ability (as assessed against the model criteria) to be a director; and
 - 2. assessing whether the person is fit and proper to be and act as a director, by reference to BBA's Fit and Proper policy.

9. Access to Independent Advice

If a Director has deeply held concerns about a policy or proposal, the Director may request the Board's approval to seek independent professional advice on the issue. A Director may also seek the Board's approval, and financial support, to seek their own legal advice on a matter.

10. Chair and Deputy Chair

- 10.1 The Board may appoint a Director (other than an employee Director) to chair its meetings and one other director as Deputy Chair. As a general rule, the positions of Chair and Deputy Chair will be reviewed annually.
- 10.2 The Chair must be an independent Non-executive Director.
- 10.3 The responsibilities of the Chair are:
 - Provision of effective Board leadership, including leading the Board by promoting culture, mutual respect, cooperation, and transparency
 - Ensuring Board meetings are held in accordance with the relevant Charter and BBA policies
 - Ensuring meetings are convened on the request of the Board, the External Auditor or Internal Auditors and regulators
 - Effective Chairmanship of meetings, including managing the agenda and conduct of meetings to ensure that adequate time is allowed for all matters requiring the Board's attention

- Facilitating robust, independent, and effective oversight and challenge of Executive recommendations requiring a Board decision
- Facilitating an environment that supports open discussion and encourages a diversity of viewpoints to be expressed
- Reviewing the draft minutes of meetings of the Board and ensuring timely distribution
- Monitoring appropriate follow up of action items and other deliverables from each Board meeting in a timely manner
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- Facilitating the flow of information between Board Members and Board Committees
- Providing avenues for training and education of Board members in order to support the members of the Board in carrying out their duties
- Providing guidance to other Board members about the expectations of the Board
- Documenting delegations to the CEO and designing mechanisms to ensure that such delegations are monitored
- Be a respected ambassador for BBA and undertaking spokesperson and public relations activities as appropriate
- Contributing as appropriate (including as a spokesperson and/or Chair) at the Annual General Meeting
- Providing an avenue of communication between the Board and the CEO
- Facilitating an annual assessment of the effectiveness of the Board and Board Committees to ensure effective operation of the Board and Committees
- Facilitating an assessment (at least annually) of the performance and contribution of the CEO with respect to strategy execution and business/operational outcomes
- Reviewing and signing BBA's CPS 220 attestations to be submitted to APRA in conjunction with the Chair of the Board Risk Committee on the recommendation of the Board
- Designing the agenda for, and leading activities of, the Board in line with the requirements for the Board outlined in APRA Prudential Standard CPS 510 Governance (CPS 510) and the Corporations Act
- Ensures the effective functioning of the Nomination Committee in terms of recruitment and assessment of candidates for election/appointment.

10.4 The key skills and competencies required of the Chair are;

- Banking and Financial Acumen
- Corporate Governance Knowledge
- Strategic Thinking Skills
- Risk Management Expertise
- Communication Skills
- Stakeholder Engagement Skills
- Integrity and Ethical Leadership
- Regulatory Compliance Awareness
- Conflict Resolution Skills
- Diversity and Inclusion Awareness
- Relevant Educational Background

11. Company Secretary

11.1 The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.

11.2 All Directors have direct access to the Company Secretary.

11.3 The role of the Company Secretary includes:

1. assisting the Board and Board committees on governance matters;
2. monitoring Board and committee policy and procedures;

3. co-ordinating the timely collation and dispatch of Board and committee papers;
4. ensuring that the business at Board and committee meetings is accurately captured in the minutes;
5. helping to organise and facilitate the induction and professional development of directors; and
6. communicating with regulatory bodies, and attending to the administration of communications with shareholders and to statutory filings.

12. Committees

The term 'Committee' refers to Board Committees and Committees established by the Board. Committees established by the Board contain one or more members who are not BBA Directors.

12.1 Committees enable the workload of the Board to be shared and effectively carried out by delegating responsibility to appropriately qualified Directors and other Committee members to undertake a detailed review of critical functions performed by BBA.

12.2 The three standing Board Committees are:

12.2.1 Audit Committee;

12.2.2 Risk Committee;

12.2.3 Governance and Remuneration Committee;

12.3 The committee established by the BBA Constitution is:

12.3.1 Nomination Committee.

12.4 Other committees may be formed from time to time, as required.

12.5 Committees have Charters approved by the Board, addressing matters such as the Committee's:

- role and responsibilities;
- composition; and
- structure and membership requirements.

12.6 Members and Chairs of Committees are appointed by the Board. The Chairs of each of the Board committee's must be an independent non-executive director as defined in Prudential Standard CPS 510 Governance.

12.7 In determining the composition of a Committee, the Board considers matters such as the Director's:

- qualifications;
- technical skills and expertise;
- industry knowledge;
- ability for constructive questioning;
- interest in the work of the Committee; and
- potential learning and development benefits for the Director in participating on a Committee.

13. Board Meetings

13.1 The Chair is responsible, in consultation with the CEO, for the conduct of all Board meetings. This includes being satisfied that the agendas are comprehensive, that all

agenda items are appropriate and that recommendations fit within the broad strategic direction set by the Board.

- 13.2 Members of executive management (Group Executives) may be invited to attend Board meetings and are able to be contacted by Directors between meetings (subject to the CEO being notified of such intent).

14. General Meetings

- 14.1 Meetings and proceedings of members' meetings are governed by the relevant rules of the Constitution.

- 14.2 Directors are expected to attend the annual general meeting.

15. Board Performance

The Board undertakes periodic reviews and analysis of its conduct and performance and each Director also partakes in a cycle of reviewing and analysing their personal contributions. Plans are developed and agreed so that Directors will continue to meet the high expectations of customers and regulators. If considered appropriate the Board engages an external consultant to conduct a Board appraisal and Director assessments.

16. Boards of Controlled Entities

- 16.1 Board Composition and Size

The size and composition of each controlled entity Board is determined with reference to its constitution and nature of business, and having regard to applicable regulatory requirements.

- 16.2 Appointment of Non-Executive Directors

The appointment of BBA non-executive Directors to the Boards of controlled entities and their related tenure is subject to the approval of the BBA Board.

- 16.3 Appointment of Executives as Directors of Controlled Entities

In consultation with the CEO, the Board may determine it appropriate for BBA Group Executives to be appointed as directors of controlled entities.

- 16.4 Minutes of Board Meetings of Controlled Entities

The minutes of meetings of the Boards of each controlled entity shall be tabled at the next meeting of the BBA Board following each meeting of a controlled entity's Board.

17. Review of the Board Charter

The Board, via the Board Governance and Remuneration Committee, will from time to time review the Charter to ensure that it meets best practice standards and meets the needs of the Company and the Board. At a minimum, this review will be conducted every 24 months.

18. Inconsistency with Constitution

To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.