

Beyond Bank Australia

Board Charter

Table of Contents

1.	Introduction	2
2.	Purpose	2
3.	Authority	2
4.	Role and Responsibilities	2
5.	Delegations to Management	3
6.	Access to Information	3
7.	Board Membership	3
8.	Fitness and Propriety	4
9.	Access to Independent Advice	5
10.	Chair and Deputy Chair	5
11.	Company Secretary	5
12.	Committees	5
13.	Board Meetings	6
14.	General Meetings	6
15.	Conflicts of Interest	6
16.	Related Party Benefits	7
17.	Board Performance	7
18.	Boards of Controlled Entities	7
19.	Review and publication of the Board Charter	7
20.	Inconsistency with Constitution	7

1. Introduction

Beyond Bank Australia is an authorised deposit-taking institution ('ADI').

2. Purpose

- 2.1 This Board Charter (Charter) sets out the role, responsibilities, structure and processes of the Board of Beyond Bank Australia; and
- 2.2 is supported by the Beyond Bank Australia 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 Beyond Bank Australia constitution and the laws governing banking and finance in Australia.

4. Role and Responsibilities

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

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

4.1 Strategy

Approving the strategic direction of the Beyond Bank Australia Group and significant corporate strategic initiatives.

4.2 Performance Monitoring

Approving the Beyond Bank Australia Group's annual budget, targets and financial statements, and monitoring financial performance against budget, forecast and targets.

4.3 Risk Management

Monitoring the effectiveness of risk management by the Beyond Bank Australia Group, including satisfying itself through appropriate reporting and oversight that appropriate internal control mechanisms are in place and are being implemented.

Allocating adequate resources to the risk management function and ensuring an appropriate organisational structure, strategic direction and level of staff training are implemented to permit regular risk reviews and reporting of risk issues.

4.4 Governance

Monitoring the effectiveness of the Beyond Bank Australia governance framework and that Beyond Bank Australia conducts its affairs with a high degree of integrity

4.5 Compliance

Ensuring that Beyond Bank Australia defines, adopts and maintains comprehensive and reliable business and management systems to ensure that Beyond Bank Australia is aware of and complies with its obligations under applicable laws and codes.

4.6 Relationship with Stakeholders

Keeping members and other stakeholders informed so they can assess the performance of Directors, management and Beyond Bank Australia.

4.7 CEO and Remuneration Matters

- 4.7.1 appointing and, if necessary, terminating the employment of the CEO;
- 4.7.2 through the Chair and Deputy Chair, annually evaluating the performance of the CEO;
- 4.7.3 through the Chair, and Deputy Chair, reviewing the succession planning for the CEO position; and
- 4.7.4 on the recommendation of the Board Governance and Remuneration Committee, considering and approving, if considered appropriate, the remuneration policy and the remuneration of the CEO and the CEO's direct reports.

5. Delegations to Management

All matters not specifically reserved for the Board, and necessary for the day to day management of the Beyond Bank Australia Group to achieve the Beyond Bank Australia 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 Beyond Bank Australia Group. The authority is delegated via the Board delegations of authority policy. All decisions are made in the context of the Beyond Bank Australia 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 Beyond Bank Australia.
- 6.2 Directors are encouraged to seek information from external sources concerning developments in the finance and business sectors relevant to the activities of Beyond Bank Australia.

7 Board Membership

7.1 Size and Composition

- 7.1.1 The size of the Board will be determined in accordance with the Beyond Bank Australia 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 Beyond Bank Australia 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 Maximum Tenure

An elected Director is not eligible to be re-elected if, at the time of his or her re-election, his or her cumulative period in office would be nine years or more from the time he or she was first elected, re-elected, or appointed after 1 July 2007.

7.3 Independence

- 7.3.1 The Board must have a majority of independent Directors.
- 7.3.2 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.
- 7.3.3 The Nomination Committee assesses the independence of Directors.
- 7.3.4 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 Beyond Bank Australia Annual Report.

7.4 Conduct and Expectations

- 7.4.1 Directors must maintain the highest ethical standards in line with the Beyond Bank Australia Code of Conduct.
- 7.4.2 Each Director is expected to:
 - 7.4.2.1 understand the needs of the Customer Owned Banking Movement generally;
 - 7.4.2.2 be familiar with Beyond Bank Australia's goals and policies;
 - 7.4.2.3 guide and monitor the management of Beyond Bank Australia;
 - 7.4.2.4 be familiar with the risk management plan and internal control framework operating within Beyond Bank Australia;
 - 7.4.2.5 help achieve and maintain the shared understanding of the core purpose, core values and goals of Beyond Bank Australia;
 - 7.4.2.6 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;
 - 7.4.2.7 make available their expertise in the best interests of the Board's operations;
 - 7.4.2.8 acquire the appropriate information and expertise; and
 - 7.4.2.9 comply with the requirements of Beyond Bank Australia'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 the Beyond Bank Australia 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 management 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 Beyond Bank Australia'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.

11. Company Secretary

- 11.1 The Company Secretary is responsible for the co-ordination of all Board business including agendas, Board papers, minutes, communication with regulatory bodies, and all statutory filings.
- 11.2 The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.
- 11.3 All Directors have direct access to the Company Secretary.

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 Beyond Bank Australia 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 Beyond Bank Australia.

12.2 The three standing Board Committees are:

12.2.1 Audit Committee;

12.2.2 Risk Committee; and

12.2.3 Governance and Remuneration Committee.

12.3 The committee established by the Board is:

12.3.1 Nomination Committee.

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

12.5 Committees have terms of reference, 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.

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 and the Company Secretary, 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 available to be contacted by Directors between meetings.

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. Conflicts of Interest

15.1 Directors are required to avoid actual, potential or perceived conflicts of interest.

15.2 Beyond Bank Australia has a conflicts of interest policy, its aim being to ensure the appropriate identification and management of conflicts of interest by all Beyond Bank Australia Group Directors, General Managers and staff.

16. Related Party Benefits

16.1 It is Beyond Bank Australia policy not to give a financial benefit to a related party of Beyond Bank Australia unless:

16.1.1 the benefit falls into one of the exceptions contained in the Corporations Act; or

16.1.2 Beyond Bank Australia obtains the customers' approval by following the procedures set out in the Corporations Act.

16.2 Related parties of Beyond Bank Australia receive credit union products and services on the same terms and conditions as those available to customers generally.

16.3 Transactions between Beyond Bank Australia and Directors must always be made under normal commercial conditions.

17. 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, on a regular basis, engages an external consultant to conduct a Board appraisal and Director assessments.

18. Boards of Controlled Entities

18.1 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.

18.2 Appointment of Non-Executive Directors

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

19. Review and Publication of the Board Charter

19.1 The Board will review and assess the adequacy of the Charter every 24 months or as required and make any appropriate amendments.

19.2 This Charter and the Charters for the Board Committees and committees established by the Board are available on the Beyond Bank Australia website.

20. Inconsistency with Constitution

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