

**MINUTES OF THE ANNUAL GENERAL MEETING OF BEYOND BANK AUSTRALIA
ACN 087 651143 HELD ON WEDNESDAY, 25 NOVEMBER 2020 VIA THE USE OF
TECHNOLOGY**

MEETING COMMENCED: 12:30 pm

1. WELCOME

The Chair, Ms. Sam Andersen introduced herself and welcomed members and guests to the 2020 Annual General Meeting (AGM) of Beyond Bank Australia (Beyond Bank).

The Chair advised the decision to host a virtual meeting was due to the current COVID-19 pandemic and restrictions on holding physical public gatherings. In encouraging attendance online, the Chair expressed the desire that this would lead to greater participation and engagement among Beyond Bank members going forward.

Quorum

It was noted that a quorum was present.

Apologies

Nil

Introductions

The Chair introduced the following persons:

- Jodie Baker – Chair of the Board Risk Committee;
- Trent Bartlett – Chair of the Board Customer Committee;
- Daryl Johnson – Chair of the Board Technology Committee;
- Geoff Knuckey – Chair of the Board Audit Committee;
- David Nichol - Chair of the Beyond Bank Australia Foundation Limited Board;
- Rebecca Richardson - Chair of the Board Governance & Remuneration Committee;
- Liz Westcott - member of the Board Customer Committee and the Beyond Bank Australia Foundation Limited Board;
- Ashley Hood – the Chief Operating Officer;
- Danielle Jiranek – General Manager People and Culture;
- Wayne Matters - the Deputy Chief Executive Officer
- Nick May – General Manager Customer Experience;
- Ray O’Brien – Chief Risk Officer
- Peter Rutter – General Manager Brand, Strategy and Community;
- Robert Keogh - the Chief Executive Officer; and
- Andrew Lee – the Company Secretary.

She then welcomed Darren Ball, Neil Ediriweera and Bevan Houia from external audit firm KPMG and Shannon Adams from Piper Alderman lawyers.

Signed as a true and correct record

Chairman:



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Agenda for the Meeting

The Chair advised members that the agenda for the meeting was contained in the notice of annual general meeting.

Voting

The Chair outlined the process for members to vote and ask questions at the meeting.

2. REPORTS

Chairman's Report, Financial Report, Directors' Report and Auditor's Report

The Chair commented that the Corporations Act did not require the AGM to vote to approve or adopt the financial report, directors' report and auditor's report. It only required that they be laid before the AGM.

The Chair provided an update on the business of the Bank over the last financial year.

Strategic Objectives

Utilising a PowerPoint presentation the Chair then referred to some of Beyond Bank's strategic objectives and commented briefly on issues relating to:

- Business Sustainability;
- Diversified Business;
- Differentiated Brand;
- Customer Value; and
- Strengthening Community.

The Chair spent a few moments outlining Beyond Bank's Goals in achieving these objectives; including:

- Creating and Returning Value;
- People: You, Our Customer Owners;
- People: Our Employees;
- Outcomes;
- Planet: BCorp Making a Difference for You;
- Profit; Creating Value for You and Your Communities;
- Ensuring Sustainability for You and
- Emerging Issues.

Directors' Report

Signed as a true and correct record

Chairman:



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The Chair referred to the Directors' Report contained in the Annual Report. She invited questions on the Directors' Report and none were received.

Report of the Board Audit Committee (Financial Report and Auditor's Report)

The Chair invited Director Knuckey in his capacity as Chair of the Board Audit Committee to present the Financial Report and Auditor's Report.

Director Knuckey made specific comment on issues relating to:

- Beyond Bank Net Profit after Tax
- COVID-19
- Beyond Bank Net Interest Margin
- Beyond Bank Capital Adequacy
- Beyond Bank Operating Expenses / Net Operating Income
- Credit Risk
- Beyond Bank 2019/20 In Summary
- Beyond Bank 2020/21 Outlook

The Chair then invited questions in relation to the Financial Report and Auditor's Report. The following questions were received:

Question 1:

Mr Laaksonen asked 'What effect has COVID-19 had on the performance of the Bank?'

The Chair advised that this question had been answered by Mr Knuckey in the report of the Board Audit Committee and advised that any follow up queries could be submitted online.

Question 2:

Mr Bryant asked 'How will the bank recover from the COVID-19, and will interest rates increase in the future?'

The Chair advised that Beyond Bank has worked hard throughout the pandemic to protect the welfare of its staff while maintaining services to its Customers. In addition, the Bank has worked with its Customers who have been most impacted by COVID-19 to assist them through their financial challenges. The Bank is making sure, as much as is possible, that it is well positioned to resume normal operations once the pandemic over.

Question 3:

Mr Winter asked 'On page 14 (and in other places) of the Annual Report, total staff costs are shown as \$117,365,000, and on page 44 under Key Management Personnel compensation, the total figure showing is \$3,451,216,000. Could you please explain?'

The Chair thanked Mr Winter for highlighting this error and noted that the numbers reported are whole dollars (unrounded) and rounding descriptors in the column headings are

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Chairman:



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incorrect. This error occurred in the printing process with the financial reports signed by the Board being correct.

3. ELECTION OF DIRECTORS

The Chair advised at this AGM, three of the Directors retire by rotation, and each of them has nominated for re-election. Following the call for nominations, no additional nominations were received. The 3 people were interviewed by the Nomination Committee and demonstrated an ability to be a director and were assessed as being fit and proper, this being Directors Trent Bartlett, Rebecca Richardson and herself. This meant there were 3 candidates for the 3 vacancies on the Beyond Bank Board.

In accordance with the Beyond Bank Constitution, each candidate was declared elected with effect from the end of this AGM and their terms end at the end of the 2023 Beyond Bank AGM. The Chair congratulated Trent Bartlett and Rebecca Richardson on their re-election to the Beyond Bank Board and noted that she was honoured to be re-elected to the Board and serve as its Chair.

4. RESOLUTIONS

The Chair introduced the formal part of the business being matters requiring resolution which were outlined in the Notice of Meeting. The Chair noted voting will be via a poll on each of these resolutions.

The Chair advised members had previously been advised via the proxy form that if they appointed the Chair of this meeting as their proxy, and did not give a specific direction in relation to the resolution, the Chair would exercise their proxy vote in favour of the resolution.

4.1 Ratification of appointment of a Director – Ms Westcott: Resolution 1

The first resolution is to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Elizabeth Westcott’s appointment as an elected director of Beyond Bank Australia Limited from the end of the 2020 AGM until the end of the 2022 AGM be ratified.”

The Chair advised that Explanatory Note 1 in the Notice of Meeting explains the reason for the ratification as Ms Elizabeth Westcott was a director of EECU Ltd trading as Nexus Mutual immediately prior to its merger with Beyond Bank Australia. Ms Westcott will cease to be an elected director at the end of the 2020 Beyond Bank Australia AGM unless her appointment as an elected director for the further two years is ratified by this ordinary resolution.

Information about Proxies Received

The Company Secretary advised Link Market Services, on behalf of Beyond Bank, has received proxy documents that validly appointed a person present at the meeting as a proxy.

<p>Signed as a true and correct record</p>	<p>Chairman: </p> <p>Date:23.../.....02...../.....2021.....</p>
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Resolution 1: Ratification Appointment of Ms Westcott as a Director

1. Directed Proxies

467 proxy documents directed the proxy on how to vote on the resolution. Of these:

- 431 directed the proxy to vote for the resolution; and
- 36 directed the proxy to vote against the resolution.

2. Undirected Proxies

119 of the proxy documents were undirected and 117 of these proxy documents appointed the Chair of this meeting as their proxy.

The Chair invited questions on Resolution 1 and none were received.

The Chair invited members to vote on the resolution by selecting either “FOR”, “AGAINST” or “ABSTAIN” for Resolution 1 on the online voting card; advising that voting on all resolutions will remain open until the call for the voting to close later in the meeting.

4.2 Remuneration of Directors – Resolution 2

The second resolution is to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the aggregate remuneration for non-executive directors of Beyond Bank Australia Limited shall be a maximum of \$1,000,000 per financial year from 1 July 2020”

The Chair advised that the explanatory note 2 in the notice of meeting explains the reasons for the resolution and the increase is proposed on the recommendation of the Nomination Committee of Beyond Bank, and has been determined following:

- consideration of Beyond Bank’s Director remuneration model that uses independent external advice and benchmark data in determining remuneration levels for Directors; and
- the inclusion of a contingency sum to cover any special circumstances which may arise (for example, additional directors arising from a merger).

The Chair stated the aggregate amount last fixed by ordinary resolution at a general meeting was \$792,439 at the 2014 AGM. The current aggregate amount of Directors’ remuneration for the 2020/21 financial year is \$725,725. The base fee for each Director is \$63,250 and an additional allowance is paid to the Chair, the Chair of Beyond Bank Australia Foundation Limited, the Chair and non-executive director of Eastwoods Group Limited, each Chair of a Board Committee and the Nomination Committee, and Board Committee members to recognise the additional work they are required to undertake.

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Chairman:



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Information about Proxies Received

The Company Secretary advised the following proxies received.

Resolution 2: Remuneration of Directors

1. Directed Proxies

433 proxy documents directed the proxy on how to vote on the resolution. Of these:

- 284 directed the proxy to vote for the resolution; and
- 149 directed the proxy to vote against the resolution.

2. Undirected Proxies

106 of the proxy documents were undirected and 104 of these proxy documents appointed the Chair of this meeting as their proxy.

The Company Secretary advised that individual directors have abstained from voting for this resolution.

The Chair invited questions on Resolution 2 and none were received.

The Chair invited members to vote on the resolution by selecting either “FOR”, “AGAINST” or “ABSTAIN for Resolution 2 on the online voting card; advising that voting on all resolutions will remain open until the call for the voting to close later in the meeting.

4.3 Constitutional Amendments – MCI amendment resolution – Resolution 3

The third resolution is to consider and, if thought fit, pass the following resolution as a special resolution:

‘That the Constitution of Beyond Bank Australia Ltd be, and the same is hereby, amended, with effect immediately after the end of the 2020 AGM of Beyond Bank Australia Limited, in the manner described in Part 1 of the Schedule of Proposed Constitutional Amendments tabled at the meeting and signed by the Chair for the purposes of identification, so as to facilitate the possibility of Beyond Bank Australia Limited issuing mutual capital instruments.’

The Chair advised that Explanatory Note 3 in the Notice of Meeting explains the reasons for the resolution. The Chair noted MCIs are a special type of share which can now be issued to investors by mutuals, in order to raise capital, without affecting their mutual status, provided certain conditions are satisfied. Beyond Bank Australia is not proposing to issue any MCIs at this stage but amending the Constitution now will give us the ability to do so if at any point in the future raising capital by issuing MCIs is desirable. Making

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Chairman:



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the changes will simply give us another option for raising capital in the future.

Information about Proxies Received

The Company Secretary advised the following proxies received.

Resolution 3: Constitutional amendments – MCI amendment resolution

1. Directed Proxies

410 proxy documents directed the proxy on how to vote on the resolution. Of these:

- 366 directed the proxy to vote for the resolution; and
- 44 directed the proxy to vote against the resolution.

2. Undirected Proxies

144 of the proxy documents were undirected and 142 of these proxy documents appointed the Chair of this meeting as their proxy.

The Chair invited questions on Resolution 3 and the following were received;

Question 1:

Mr Gibbon asked 'If the members agree to this amendment to the Constitution, does that mean that Beyond Bank Australia will be able to issue shares which will be paid dividends, when members existing shares will not receive dividends?'

The Chair advised should Beyond Bank issue MCIs it would result in a separate class of shares which have a funding cost attached in the form of dividends, similar to the existing D Class shares which are the result of a prior merger. While existing member shares do not receive a direct financial return, the purpose and use of the funding raised from the MCIs, and the limitations on the holders of those MCIs to vote or control the Bank as detailed in the explanatory memorandum should be noted. Depending on the terms and conditions and the limitations dictated by Corporations Law, should Beyond Bank issue MCI's, members may be offered participation. The Chair reiterated that Beyond Bank has no present intention of issuing MCIs, rather the Bank is simply taking advantage of a brief streamlined adoption opportunity provided by the Government for constitutional changes that facilitate the possible future issuance of such securities.

Question 2:

Mr Gibbon further asked 'If you don't intend to use this option why are you trying to pass it now, why can't you wait until we are able to hold a normal general meeting?'

The Chair advised that a general meeting of the company is the appropriate and the only place to seek the approval of members to the amendment we are proposing. The Bank is seeking approval of this amendment now so that, should funding by way of MCI's be appropriate in the future, the

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Chairman:



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Bank is prepared to take advantage of that source of funding (if it is advantageous to members). Including the amendment for consideration this annual general meeting means that the bank can avoid the need and costs of holding a special meeting solely for that purpose.

The Chair invited members to vote on the resolution by selecting either “FOR”, “AGAINST” or “ABSTAIN for Resolution 3 on the online voting card; advising that voting on all resolutions will remain open until the call for the voting to close later in the meeting.

4.4 Constitutional Amendments – Other – Resolution 4

The fourth resolution is to consider and, if thought fit, pass the following resolution as a special resolution:

‘That the Constitution of Beyond Bank Australia Limited be, and the same is hereby, amended, with effect immediately after the end of the 2020 AGM of Beyond Bank Australia Limited, in the manner described in Part 2 of the Schedule of Proposed Constitutional Amendments tabled at the meeting and signed by the Chair for the purposes of identification, so as to:

- facilitate the holding of member’s meetings, giving notices of meetings, and providing directors’ election materials, using technology;
- ensure that all Banking Executive Accountability Regime requirements have been satisfied before a Director’s appointment can take effect; and
- make miscellaneous changes to better reflect current practices and laws, to correct a numbering error, and to extend the period of operation of Appendix 5.’

The Chair advised that Explanatory Note 4 in the Notice of Meeting explains the reason for the resolution. The Chair noted the effects of COVID-19 have demonstrated that it may not always be possible or desirable to hold physical meetings of members and that using technology, such as email, to provide materials to members may be preferable to mail and give rise to significant savings.

The Chair noted that one requirement of the BEAR is that accountable persons must be registered with the Australian Prudential Regulation Authority (APRA) before they commence duties as an accountable person. To achieve registration, documents must be lodged with APRA at least 14 days earlier. The proposed amendments will overcome the difficulty that causes for elected directors by providing to the effect that a person’s appointment as a Director can only take effect if and when the BEAR requirement (and any other legal requirements) has been satisfied.

The Chair advised BBA is taking the opportunity to also propose some other minor amendments which will result in the Constitution better reflecting current practices and laws, to correct a paragraph numbering error, and to extend the period of operation of Appendix 5.

The Chair noted Appendix 5 provides for special procedures to be followed if a Demutualisation Resolution is proposed. It exists to ensure that members are given

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adequate information in relation to any proposed Demutualisation Resolution and that a substantial number of members are in favour of such a resolution before it can be passed. Clause A5-7 currently provides that Appendix 5 will cease to have effect at the end of the 2023 AGM. The Board proposes that the effect of Appendix 5 be extended to the end of the 2025 AGM.

Information about Proxies Received

The Company Secretary advised the following proxies received.

Resolution 4: Constitutional amendments – other

1. Directed Proxies

416 proxy documents directed the proxy on how to vote on the resolution. Of these:

- 383 directed the proxy to vote for the resolution; and
- 33 directed the proxy to vote against the resolution.

2. Undirected Proxies

138 of the proxy documents were undirected and 136 of these proxy documents appointed the Chair of this meeting as their proxy.

The Chair invited questions on Resolution 4 and the following was received:

Question 1:

Mr McNicoll asked ‘At what point will the bank be listed on the stock exchange and shares issued to the current shareholders?’

The Chair advised Beyond Bank has no intention of demutualising and listing. In fact, at this AGM, the Bank has sought to extend the demutualisation protection provisions in its Constitution, given its stated commitment to mutuality and the values it holds.

The Chair invited members to vote on the resolution by selecting either “FOR”, “AGAINST” or “ABSTAIN for Resolution 4 on the online voting card; advising that voting on all resolutions will remain open until the call for the voting to close later in the meeting.

Announcing impending close of voting / Questions

The Chair announced voting on all resolutions would close in 3 minutes and the results of the voting will be declared and released on the BBA website either later today, or tomorrow.

5. GENERAL QUESTIONS

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Chairman:



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The Chair moved to any items of general business and any further questions from members.

Four general questions were received.

Question 1:

Mr Nikoleaff, Mr Quinane and Ms Chattaway asked ‘Will Beyond Bank ensure it passes on Reserve Bank interest rate cuts promptly and in full to its members?’

The Chair thanked the members for the questions and advised Beyond Bank is what’s called a “price taker” in the market which means we compete for both loan and deposit business but don’t have the market power to influence pricing either. Because the Bank must balance the objectives of creating and returning value to its customers with managing the business prudently to achieve sustainable financial outcomes, the Bank must wait to see how market pricing moves before it can adjust our deposit and lending pricing.

Beyond Bank has a standard process for reviewing and adjusting its product pricing. The Pricing Committee meets every fortnight to review market pricing and makes pricing decisions to balance customer and sustainability objectives. The Bank’s practice is to meet the week after the Reserve Bank announces an official rate change, consider its response to market price movements and implement our rate changes (if any) the following week. The Bank does this consistently whether official rates go up or down.

Beyond Bank raises the money it lends largely from customer deposits. Neither deposit rates nor lending rates are directly linked to Reserve Bank cash rates. Having said that, when the Reserve Bank reduces official interest rates, the Bank endeavours to adjust our loan rates for the benefit of borrowing customers as much as our cost of funds, which benefits our depositing customers, allows.

Question 2:

Mr Rayson and Ms Drummond asked ‘When will Beyond Bank increase interest rates for its deposit customers?’

The Chair advised Beyond Bank monitors competitor interest rates closely to ensure that the rates it offers its members on their deposits remain highly competitive in the market. The aggregate level of interest rates is largely dictated by the money markets and there is no indication these will increase in the short term.

Question 3:

Ms Seiffhart asked ‘Does your Bank support the coal industry?’

The Chair advised Beyond Bank Australia is an inclusive organisation and believes that communities are stronger when they come together and move forward together. For that reason, Beyond Bank does not place any bans on lawful businesses in Australia. Beyond

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Chairman:



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Bank does not have any direct exposure to the coal industry, however, it does support communities which depend on this industry and it will continue to support its customers as their communities are impacted by transitions in the mining and energy sectors.

The Chair emphasised that Beyond Bank is committed to sustainability, as the first bank in Australia to earn B Corp status, and one of the highest scoring B Corps in the world.

The Chair noted that Bank's sustainability program is outlined in its 2020 Corporate Report which is available on its website.

The Chair advised voting had closed, and the results of the voting will be published on the Beyond Bank Australia website later this afternoon or tomorrow.

Question 4:

Mr Jones asked regarding the availability of particular products and services.

The Chair advised Beyond Bank aims to provide products which are fit for purpose and meet the demands of our customers. It's not possible to for any institution to cover the gamut of all products available in the market. However, at Beyond Bank we aim to ensure that we offer products that meet the demands of our customers, while that might not cover all formats of devices available, nor every possible payment method available.

CLOSE

The Chair thanked the CEO and the executives for their continued hard work and dedication.

The Chair also thanked her fellow directors for their support and hard work.

The meeting closed at 1:27 pm.

POST AGM NOTE

That afternoon, Link Market Services provided Beyond Bank with the results of the voting (see Annexure), confirming all resolutions were carried. The results were also published on the Beyond Bank website that afternoon.

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Chairman:



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