

Beyond Bank Australia

Board Governance and Remuneration Committee

Charter

1 Purpose

The Board is committed to excellence in corporate governance and supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council ('Principles'), and ensuring that the culture of "Doing the right things and doing things right" permeates the organisation.

1.1 The purpose of the Board Governance and Remuneration Committee ('Committee') is to:

- 1.1.1 assist the Board to discharge its responsibility to ensure the Beyond Bank Australia ('BBA') Group has appropriate ethical standards and corporate governance policies and practices; and
- 1.1.2 undertake the duties of a board remuneration committee as required by Prudential Standard CPS 510 Governance (which excludes remuneration paid to non-executive directors).

1.2 In the context of the role of the Board and the Committee, the Committee will have unlimited access to senior management of the BBA Group (and other staff as necessary).

1.3 Subject to approval from the Board, the Committee has authority to consult independent experts where it considers it necessary for the effective performance of the Committee's functions.

2 Composition

2.1 The Committee will comprise three or more non-executive Directors, the majority of which must be independent. The Board will appoint one of the Directors as Chair of the Committee. Other Directors are entitled to attend Committee meetings. Any BBA officer may be required to attend meetings of the Committee as required.

2.2 If the Chair of the Committee is absent from a Committee meeting, the members of the Committee present will appoint a Chair for that particular meeting.

2.3 The Committee members, including the Chair of the Committee, will be appointed annually by the Board.

2.4 Collectively, the Committee must have experience in setting remuneration and sufficient knowledge to allow for effective alignment of remuneration with prudent risk-taking and desired organization culture.

2.5 The performance of the Committee will be assessed annually as part of the BBA Board assessment process.

2.6 Members of the Committee will be available to meet with APRA on request.

3 Meetings

3.1 The Committee will meet often enough to undertake its role effectively, but not less than quarterly. The Chair of the Committee will call a meeting of the Committee if so requested by any Committee member or the Chair of the Board.

- 3.2 A quorum for a Committee meeting is a majority of Committee members who must be present throughout the entirety of the meeting.
- 3.3 Committee members may attend meetings in person or by electronic means.
- 3.4 The Chief Executive Officer (CEO), Chief Risk Officer (CRO), and GM People and Culture are expected to attend each scheduled meeting of the Committee unless urgent BBA business commitments prevent him or her from attending. Other management personnel may attend on invitation from the Chair of the Committee.

If the Committee is considering any matter in relation to remuneration or the specific remuneration policies of an individual, that person must not be present at that part of the meeting during which it is being discussed (eg the CEO cannot attend that part of the meeting during which his/her remuneration is being discussed).

- 3.5 The Secretary of the Committee will be the Company Secretary or their designated representative.
- 3.6 The Committee Secretary, in conjunction with the Chair of the Committee, will prepare the agenda for Committee meetings. The agenda and supporting documentation will be made available to the Committee members at least one week prior to each meeting. Minutes, agenda and supporting papers will be accessible to all Directors via BoardEffect (Board Management Platform). Committee papers prepared by management are to be relevant, clear, complete and concise.

4 Reporting

- 4.1 The Chair of the Committee will regularly update the Board about Committee activities. If time permits, the minutes of each Committee meeting will be tabled at the next regular meeting of the Board. If this is not possible the minutes will be tabled at the subsequent meeting of the Board.
- 4.2 The Committee will refer to the Board Audit Committee any matters that have come to the attention of the Committee that are relevant for the Board Audit Committee.
- 4.3 The Committee will refer to the Board Risk Committee any matters that have come to the attention of the Committee that are relevant for the Board Risk Committee.
- 4.4 The Committee must refer any matters of major importance to the Board for its attention.

5. Duties and Responsibilities

- 5.1 The duties of the Committee are:

5.1.1 General Governance Matters

1. Make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size and composition of the Board taking into account:
 - Board membership requirements as articulated in the BBA Constitution;
 - relevant guidelines/legislative requirements in relation to Board composition;
 - other considerations including BBA strategic goals and the importance of having appropriate diversity within the Board including in relation to matters such as skills, gender, tenure, experience, and age.
2. Review on a regular and continuing basis succession planning for the Board Chair, and make recommendations to the Board as appropriate.
3. Ensure an appropriate Board and Board committee structure is in place.

4. Ensure there is a robust and effective process for evaluating the performance of the Board, Board committees and individual Directors.
5. Maintain an induction process for new Directors to make sure that they can effectively discharge their responsibilities.
6. Maintain and approve amendments to the Policy: Board Member Professional Development, assess Directors' professional development plans and review professional development activities undertaken by Directors.
7. Maintain and approve amendments to the Policy: Fit and Proper.
8. Consider the skills, knowledge and experience currently represented on the Board to assess whether those current skills meet the skills requirements identified. Report to the Board on the assessment and, if needed, make recommendations regarding the means by which skills levels may be enhanced. Recommend policy on Director succession planning and Board nominations;
9. Monitor developments in corporate governance, including the Banking Executive Accountability Regime (BEAR) and, with the exception of the Remuneration Policy – CPS 510, approve amendments to governance policies and practices of the BBA Group that the Committee regards as necessary or desirable, unless full Board approval is required.
10. Monitor compliance with CPS 510 Governance, the BEAR, the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, and other relevant governance principles and standards, and provide guidance, as required, to individual Directors and the Group as a whole on questions of corporate governance and ethics.
11. Ensure that the Corporate Governance Statement is accurate and compliant with guiding principles and standards.
12. Ensure that information on Board skills, experience and expertise disclosed to customers through the annual report is accurate and compliant with guiding principles and standards.
13. Develop and monitor annual budgets for Board and Board governance events expenditure.
14. Oversee the effectiveness of the BBA Constitution and make recommendations for changes.
15. Oversee the Director's Access, Indemnity and Insurance Cover Deed.
16. Discharge any other responsibilities delegated to the Committee by the Board from time to time relating to governance generally.
17. Oversee the process of electing directors and address any issues that may arise from that process.
18. Review the conduct of BBA's directors' elections including any issues that arise during the conduct of a directors' election.

19. Review and recommend for approval Accountable persons in accordance with the BEAR.

5.1.2 Board Remuneration Committee functions

1. Conduct regular reviews and make recommendations to the Board on the BBA Remuneration Policy. This must include an assessment of the Remuneration Policy's effectiveness and compliance with the requirements of Prudential Standard CPS 510 Governance. In this document reference to the Remuneration Policy means the remuneration policy required by Prudential Standard CPS 510 Governance.
2. Subject to complying with existing contractual and legal obligations, review and make annual recommendations to the Board on the remuneration of the CEO, direct reports of the CEO (ie Executive Managers), and other persons whose activities may in the Committee's opinion affect the financial soundness of BBA.
3. Make annual recommendations to the Board on the remuneration of the categories of persons covered by the remuneration Policy (other than those persons for whom such recommendations are already required under 2 above).

6 RECEIPT OF INFORMATION AND ADVICE

- 6.1 The CEO and the Senior Manager Governance and Assurance will keep the Committee informed of policies and procedures employed by the BBA Group relating to corporate governance. The GM People and Culture will keep the Committee informed on relevant policies and processes relating to the Board's remuneration framework.
- 6.2 The Committee will receive relevant information (ie within the scope of the Committee's responsibilities) from management as to current developments both within the BBA Group and externally which may substantially impact on the governance of the BBA Group.
- 6.3 The Committee will maintain oversight of the effectiveness of the remuneration framework.
- 6.4 In relation to remuneration matters, the Committee, if it chooses to engage third-party experts, has the authority to do so in a manner that ensures that the engagement, including any advice received, is independent.

If external advisers are engaged, payment for their services must be in a manner that ensures their engagement, including any advice received, is independent.

An external adviser who is acting concurrently or has acted recently on behalf of management or of any executive of BBA may be engaged by the Committee only if the Committee is satisfied that the:

1. engagement of the adviser will not create a conflict of interest or a perception of conflict of interest; and
2. advice received will be independent.

- 6.5 When the Committee seeks information from relevant internal parties (eg People & Culture) the Committee must ensure there are processes in place to ensure the advice provided by such parties is not influenced by conflicts of interest.

7 GOVERNANCE POLICIES, SYSTEMS AND PROCEDURES

- 7.1 The Committee has the responsibility to ensure that adequate governance policies, systems and procedures are maintained and regularly reviewed by management.

- 7.2 The Committee will receive from management a copy of governance policies and procedures from time to time for information and review as necessary. In accordance with the *Policy Approval – Board Policies and Related Documents and its Appendix 1*, approve amendments to relevant policies as required unless full Board approval is required.