

AWA Mutual Limited

Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of your AWA Member Shares in AWA Mutual Limited (ACN 087 651 652) by Beyond Bank Australia Limited (ACN 087 651 143)

Your Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members.

The Independent Expert has concluded that the Scheme is reasonable and in the best interests of AWA Members.

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about what to do, you should consult your legal, financial or other professional adviser immediately.



Legal Advisor



Independent Expert

Important Information

This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (subject to satisfaction or waiver of the Scheme Conditions), and to provide such information as is prescribed or otherwise material for AWA Members when deciding whether or not to vote in favour of the Scheme. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme.

You should read this document in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Individual decisions

This Scheme Booklet is for AWA Members collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any decision in relation to the Scheme, AWA Member Shares or Beyond Bank Member Shares or New Beyond Bank Member Shares. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any decision in relation to the Scheme.

Responsibility for information

The information concerning AWA contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the AWA Directors, has been provided by AWA and is the responsibility of AWA. Neither Beyond Bank, its Subsidiaries, nor any directors, officers, employees or advisors of those entities assume any responsibility for the accuracy or completeness of that information.

The Beyond Bank Information has been provided by Beyond Bank and is the responsibility of Beyond Bank. Neither AWA, nor any of its directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Beyond Bank Information.

Lonergan Edwards & Associates Limited has prepared the Independent Expert's Report set out in Annexure B of this Scheme Booklet and takes responsibility for that report. To the maximum extent permitted by law, none of AWA, Beyond Bank, their Related Entities or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

Role of ASIC

This document is the explanatory statement for the scheme of arrangement between AWA Mutual Limited and the AWA Members (being holders of its fully paid AWA Member Shares) as at the Scheme Record Date for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet at Annexure C.

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. AWA has requested ASIC provides statements, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides those statements, they will be produced to the Court at the time of the Court hearing to approve the Scheme.

Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Meeting is set out in Annexure E.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved the Scheme Booklet required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how AWA Members should vote (on this matter, AWA Members must reach their own decision); and
- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Scheme are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, or achievements of AWA, Beyond Bank and the Combined Group to be materially different from future results,

performance or achievements expressed or implied by such statements. Further, the forward-looking statements in this Scheme Booklet relating to the performance of the Combined Group are not based on historical facts, but rather reflect the current views and expectations of AWA and Beyond Bank concerning future events and circumstances.

The operations and financial performance of AWA, Beyond Bank, the Combined Group, and the change of a AWA Member's ownership of an AWA Member Share and New Beyond Bank Member Share are subject to various risks that are summarised in section 9 of this Scheme Booklet and that may be beyond the control of AWA, Beyond Bank, and the Combined Group.

As a result, AWA's actual results of operations and earnings and those of Beyond Bank and the Combined Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of AWA, Beyond Bank or its Related Entities or their respective directors, officers, employees or advisors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur, and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to AWA or Beyond Bank or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the Corporations Act, neither AWA nor Beyond Bank give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions, or circumstances on which any such statement is based.

Foreign jurisdictions

The release, publication, or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been

disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Privacy and personal information

AWA and Beyond Bank will need to collect personal information to implement the Scheme. This information may include the name, contact details and details of security holdings of AWA Members, together with the contact details of individuals appointed to act as proxy, attorney or corporate representative by an AWA Member at the meeting of AWA Members to approve the Scheme (**Scheme Meeting**). The primary purpose for collecting this personal information is to assist AWA and Beyond Bank to conduct the Scheme Meeting and implement the Scheme. The collection of some of this information is authorised by the Corporations Act.

AWA Members who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the AWA Registry (Link Market Services Limited) or Beyond Bank in respect of the Beyond Bank Register if they wish to exercise those rights.

The information may be disclosed to print and mail service providers and to AWA, Beyond Bank and their respective advisers and agents to the extent necessary to affect the Scheme. If the information outlined above is not collected, AWA may be hindered in, or prevented from, conducting the Scheme Meeting effectively or at all.

AWA Members who appoint an individual as their proxy, corporate representative, or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above. Persons are entitled under section 173 of the Corporations Act to inspect and copy the AWA Register. The AWA Register contains personal information about AWA Members.

Defined terms

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary in section 14 of this Scheme Booklet.

The Independent Expert's Report set out in Annexure B has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the calculations set out in this Scheme Booklet and any discrepancies in any table between totals and sums of amounts listed in that

table or to previously published figures are due to rounding.

Diagrams, charts, maps, graphs, and tables

Any charts, maps, graphs, and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

Currency

All references in this Scheme Booklet to “\$”, “AUD” or “dollar” are references to Australian currency unless otherwise indicated.

References to time

All references in this document to time relate to the time in Melbourne, Victoria, unless otherwise specified. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from government agencies.

Date of this document

This document is dated 12 December 2023.

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Letter from the Chairman of AWA Mutual Limited

Dear fellow AWA Members,

In September 2023 I wrote on behalf of the Board to advise all AWA members of some emerging changes for our organisation as a result of Bendigo and Adelaide Bank Limited (**Bendigo Bank**) notifying AWA that it did not intend to renew the current Alliance Bank agreement due to expire in February 2025.

At the time I advised you that the Board had unanimously agreed to recommend to members that AWA proceed with a merger with Beyond Bank Australia Limited (**Beyond Bank**), a fellow mutual, and like us, with a long history of providing banking services for regional and rural Australians.

We have now concluded negotiations and entered into a Merger Implementation Agreement with Beyond Bank, outlining the terms of the merger.

The merger will be implemented by a scheme of arrangement under which all AWA Member Shares will be transferred to Beyond Bank in exchange for the Scheme Consideration (which is either one New Beyond Bank Member Share or the Cash Consideration for existing Beyond Bank members) (**Scheme**).

If approved, the result will be that you will cease to be an AWA Member, and instead become a member of Beyond Bank (one of Australia's largest member-owned Banks¹), with AWA becoming Beyond Bank's wholly-owned subsidiary. Amendments to AWA's Constitution are also required to facilitate the Scheme.

Merging with Beyond Bank enables our organisation to continue to deliver on our purpose to contribute to an improved and sustainable future for our members and local communities. For over 50 years we have adapted and evolved in providing banking services to our members - first as a cooperative, then a credit union, and since 2015 as an 'Alliance Bank'.

The proposed merger is the next evolution of our member focussed journey, and whilst the logo and banking license will change, as with our past evolutions, some things will remain the same or better:

As a result of the merger:

Our members will retain current banking benefits and gain access to enhanced products and services

- Existing product pricing will remain, including no loan, account keeping or transaction fees (excluding International transaction fees and Bank@Post withdrawal and Deposit fees).
- Existing AWA Members of 20+ years will benefit from Beyond Bank's Life Membership program which includes further product pricing discounts.
- Enhanced digital banking services through Beyond Bank's award-winning internet banking platform and mobile banking app.
- Maintaining and extending our branch and customer services:
 - Geelong – Retaining our existing Malop Street branch
 - Portland – Retaining our existing Portland Aluminium branch AND the establishment of a new branch in the Portland township
 - Mandurah – Bringing together the current AWA and Beyond Bank teams in a single location
 - Access to a further 48 branch locations nationally (of which 2 are Cashless Advice Hubs)
 - Access to a customer contact centre for extended service outside of branch hours.

Our people will receive job security, flexibility and opportunity

- All AWA staff will be offered roles at Beyond Bank at current or more favourable terms.
- Should AWA staff not accept Beyond Bank's employment offer, they will have access to redundancy entitlements.
- Expanded operations will mean more staff available to service our members.
- Greater career opportunities and pathways for all staff as part of a larger national organisation.

¹ Having (at the date of this Scheme Booklet) approximately 293,000 members and \$8.98 billion in total assets.

Our community impact will continue

Philanthropic partners receive certainty of ongoing arrangements

- Existing philanthropic partnerships with Give Where You Live Foundation, Geelong Connected Communities, United Way Glenelg, and PEACH will continue for a further 3 years as a minimum. This is expected to represent a minimum financial contribution of \$600,000 over the 3-year period.
- A further \$200,000 one off contribution from Beyond Bank will allow for additional community benefit grants to be issued.
- AWA philanthropic arrangements will be integrated with the Beyond Bank Foundation and other Beyond Bank community programs as appropriate.

Strategic partners receive certainty of ongoing arrangements

- Existing social impact loans, interest rebates and revenue sharing arrangements will continue in line with existing agreements (AWA's current partners received \$138,354 in revenue share and \$48,978, in interest rebates in the 2022-2023 financial year).
- Upon expiry or renewal, existing partnership agreements will be managed in line with Beyond Bank's community partners strategy and framework.

Acknowledgement of our proud heritage

Beyond Bank and AWA agree it is important that the merged business acknowledge and value the contribution of AWA in its 54 years of operations, which will be formalised in the local community strategy of the combined operations.

Beyond Bank share a strong philosophical alignment with AWA having consistently demonstrated their commitment to people and community and was recently named Roy Morgan's Bank of the Year in acknowledgement of this. They also share our views on the importance of community and have an established foundation that contributed over \$1.9m to the community last year.

The commitments made by Beyond Bank reinforces the value it places on members and community

Under the existing Alliance Agreement with Bendigo Bank, AWA provides banking products and services to AWA members as an agent of Bendigo Bank, meaning your products and services are currently provided by Bendigo Bank.

For the merger to proceed:

- AWA Shareholders must vote to approve the Scheme
- the Federal Court must approve the Scheme
- APRA must approve the transfer of existing AWA members' products from Bendigo Bank to Beyond Bank.

The Scheme is also subject to certain other conditions (summarised at Section 11.2 of the Scheme Booklet).

Directors' Recommendation

Your Board unanimously recommends that you vote in favour of the Scheme, subject to no Superior Proposal emerging (and to the Expert concluding and continuing to conclude that the Scheme is in the best interests of AWA members), as we believe that the merger with Beyond Bank by way of the Scheme is in the best interests of AWA members.

Each Director who holds AWA Member Shares, at the time of the Scheme Meeting or General Meeting intends to vote in favour of all resolutions necessary to approve the Scheme, in the absence of a Superior Proposal.

In reaching their recommendation, your Board has weighed the advantages and disadvantages of the Scheme and consider that the advantages outweigh the disadvantages. The reasons for these recommendations are discussed comprehensively at Section 2 of this Scheme Booklet. The disadvantages are discussed comprehensively at Section 3 of this Scheme Booklet, and the risks are discussed in Section 9. You should consider the advantages, disadvantages and risks before you decide how to vote on the Scheme.

Independent Expert's conclusion

The Independent Expert Report contained within this Scheme Booklet concludes that the Scheme, in the absence of a Superior Proposal, is reasonable and in the best interests of AWA members. In reaching this conclusion, the Independent Expert has concluded that the Scheme is 'reasonable', but has formed the view that it is not possible to assess the market value of a membership interest in either AWA or Beyond and that as a consequence, it is not relevant, meaningful or possible to form a view on whether the Scheme is 'fair'.

A summary of the Independent Expert's Report is included in Section 2.2 of this Scheme Booklet (with a full copy of the report at Annexure B) and I encourage you to read it.

Further information

The Scheme Booklet contains important information. I recommend you read it carefully and vote either in person at the Scheme Meeting and General Meeting or via proxy in accordance with the instructions contained at pages 9 - 11 of the Scheme Booklet.

If you have any questions, please call AWA on 1300 056 953 or email future@awaab.com.au.

In closing, I would like to thank our members for their invaluable support of our organisation. Your vote is important in shaping the future and I encourage your participation.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Richardson". The signature is written in a cursive, slightly slanted style.

Peter Richardson
Chairman
AWA Mutual Limited

Important dates and times for the Scheme

Key events and the expected timing in relation to the approval and implementation of the Scheme are set out below.

Event	Indicative date and time (AEDT)
Date on which the Court ordered the convening of the Scheme Meeting	Friday, 1 December 2023
Date of this Scheme Booklet	Tuesday, 12 December 2023
Last time and date by which Proxy Forms and powers of attorney for the Scheme Meeting and General Meeting must be received by the AWA Registry.	Saturday, 27 January 2024 by 6.00pm
Last time and date for determining eligibility to vote at the Scheme Meeting and General Meeting	Saturday, 27 January 2024 by 7.00pm
Scheme Meeting	Monday, 29 January 2024 at 6.00pm
General Meeting	Monday, 29 January 2024 to commence 10 minutes following conclusion of the Scheme Meeting
Court hearing for approval of the Scheme (Second Court Date)	Thursday, 15 February 2024 at 9.30am
Lodge Court order with ASIC (Effective Date)	Friday, 16 February 2024
Scheme Record Date (for determining entitlements to participate in the Scheme and receive the Scheme Consideration)	Friday, 23 February 2024 at 7.00pm
Implementation Date (transfer of AWA Shares to Beyond Bank and issue or payment of Scheme Consideration to AWA Members)	Friday, 1 March 2024
Dispatch of Welcome Letter and Financial Services Guide by Beyond Bank to Scheme Participants in respect of New Beyond Member Shares	By Friday, 8 March 2024

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition (in respect of the Scheme) is satisfied and the dates on which all necessary Court and regulatory approvals are obtained. AWA has the right to vary any or all of these dates and times, subject to the approval of such variation by the Court and Beyond Bank, where required.

Any variation to the above dates and times will be published on AWA's website at www.awaalliancebank.com.au/future.

Overview of this document

What is the Transaction proposed?

Beyond Bank has made a proposal to acquire all of the AWA Member Shares by way of the Scheme.

Beyond Bank and AWA have agreed to implement the Scheme proposal under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which AWA Members have the opportunity to vote for or against the proposed Scheme, and if the Scheme is approved by the Requisite Majority and subsequently by the Court, the Scheme becomes binding on AWA and the AWA Members. Beyond Bank is bound to comply with the Scheme by virtue of the Deed Poll.

If the Scheme is approved by the Requisite Majority of AWA Members and by the Court, then subject to satisfaction or waiver of the Scheme Conditions, Beyond Bank will acquire all of the AWA Member Shares on issue as at the Scheme Record Date (**Scheme Share**) in exchange for the Scheme Consideration (described below), resulting in AWA becoming a wholly-owned Subsidiary of Beyond Bank.

The **Scheme Consideration** to be provided by Beyond Bank for the transfer of the Scheme Shares is:

- For each Scheme Share that **is not** held by a Joint Member (that is not also a Duplicate Member), one New Beyond Bank Member Share will be issued and taken to be fully paid up at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
- For each Scheme Share that **is** held jointly by a Joint Member where neither the Primary Member nor Secondary Member holds a Beyond Bank Member Share on the Scheme Record Date:
 - one New Beyond Bank Member Share will be issued to the Primary Member, and is taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment; and
 - one New Beyond Bank Member Share to each other Secondary Member will be issued and taken to be fully paid up with a nil subscription price, and otherwise on the same terms as all other Beyond Bank Members Shares, subject to the Beyond Tenure Adjustment.
- For each Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - is not a Joint Member, the Cash Consideration will be paid and the Beyond Tenure Adjustment made; and
 - is a Joint Member and:
 - where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made; and
 - where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.

The Scheme Consideration ensures that each category of AWA Member will be put in an equivalent position to each other AWA Member as a result of the Scheme. Namely, each AWA Member will no longer hold any AWA Shares, and will each hold only one Beyond Bank Share, as a result of the Scheme.

Cash Consideration of \$10.00 is only being offered to a Duplicate Member that is either not a Joint Member, or is a Joint Member but only the Primary Member (regardless of the holding of the Secondary Member) holds Beyond Bank Member Share at the Scheme Record Date, on the basis that those members have paid

a subscription fee of \$10.00 for their AWA Share and have also paid a separate subscription fee to Beyond Bank for their Beyond Bank Share. As they will not receive a New Beyond Bank Member Share, their AWA subscription fee is being returned to them. By contrast, all other AWA Members (or the relevant Primary Member in the case of a Duplicate Member where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date) will receive a New Beyond Bank Member Share and will therefore preserve (or rollover) their right to have that subscription fee returned in the event that their New Beyond Bank Member Share is redeemed in future.

The Beyond Tenure Adjustment will also ensure that AWA Members' full tenure of membership is recognised, such that they will be deemed to have become a member of Beyond Bank on the date that they first became an AWA Member (provided that the AWA membership has been continuously held between that date and the Implementation Date). If a Duplicate Member's tenure with Beyond Bank is longer (and has been continuously held), then that longer Beyond Bank tenure shall stand.

A Scheme Meeting will be held for AWA Members to vote on the Scheme.

Amendments to the AWA Constitution are also first required to facilitate the Scheme. These will be the subject of the General Meeting which will occur on the same day as the Scheme Meeting. If the Constitutional Amendment is not approved, the Scheme cannot proceed. See Section 11.5 for a discussion on the required Constitutional Amendment. Details of the Constitutional Amendment are also set out in Table 2 of Annexure A.

If the Scheme is not approved, the Merger will not proceed, and AWA will continue to operate as a standalone entity for the duration of its Alliance Agreement (ending in February 2025).

What is this document for?

The Scheme is subject to the approval of AWA Members. This Scheme Booklet contains information relevant to the decision of AWA Members as to whether to vote for or against the Scheme. The Notice of Meeting in Annexure E of this Scheme Booklet also contains important information about the proposed Scheme, including the advantages, disadvantages and risks relating to the Scheme.

Why should you vote?

As an AWA Member, you have a say in whether the Scheme is implemented or not – this is your opportunity to play a role in deciding the future of AWA in which you have a stake.

Is the Scheme in the best interests of AWA Members?

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is reasonable and in the best interests of AWA Members. In reaching this conclusion, the Independent Expert has concluded that the Scheme is 'reasonable', but has formed the view that it is not possible to assess the market value of a membership interest in either AWA or Beyond and that as a consequence, it is not relevant, meaningful or possible to form a view on whether the Scheme is 'fair'.

The AWA Directors unanimously recommend that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is in the best interests of AWA Members, AWA Members vote in favour of the Scheme.

Before making a decision about the Scheme, AWA Members should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional adviser. For further details regarding the recommendation of the AWA Directors, please refer to sections 1 and 2 of this Scheme Booklet.

What you should do next:

Step 1: Read this document in full

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme.

If you require any further information or have questions in relation to this document, the Scheme, please contact 1300 365 790 Monday to Friday between 8.30am and 5.30pm (AEDT), or visit www.awaalliancebank.com.au/future.

If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

Step 2: Vote on the Scheme

As an AWA Member, it is your right to vote on whether the Scheme should be approved, and therefore, whether the Scheme should proceed. If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme (at the Scheme Meeting) and in favour of the Constitutional Amendment at the General Meeting.

The Scheme Meeting will be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 at 6.00pm (AEDT) on Monday, 29 January 2024, with the General Meeting to be held at the same location and to commence 10 minutes after the closing of the Scheme Meeting. AWA Members will also be able to attend the Scheme Meeting and the General Meeting virtually via an online platform. Details of how AWA Members can attend virtually are set out below.

You can vote in person at the Scheme Meeting and the General Meeting by returning validly completed proxy voting forms by no later than 6.00pm (AEDT) on Saturday, 27 January 2024. Full details of how to vote are set out on pages 9 - 11 of this document.

For further information

If you have any questions after reading this document, please call 1300 365 790 Monday to Friday between 8.30am and 5.30pm (AEDT).

Meeting details and how to vote

Voting on Scheme

For the Scheme to be implemented, it is necessary that the Requisite Majority of AWA Members vote in favour of the Scheme.

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- more than 50% in number of AWA Members present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution by AWA Members.

Voting at the Scheme Meeting will be by poll rather than by show of hands.

The Notice of Scheme Meeting is set out in **Annexure E**.

Voting on Constitutional Amendment

For the Scheme to be implemented, it is also necessary that AWA Members vote in favour of the Constitutional Amendment at the General Meeting.

To pass the resolution approving the Constitutional Amendment, AWA Members must pass a **special resolution** which requires 75% of the votes cast by members entitled to vote on the resolution to be in favour.

If you wish to approve the Scheme, it is therefore important that you vote in favour of the Scheme at the Scheme Meeting and in favour of the Constitutional Amendment at the General Meeting.

Voting at the General Meeting will be by poll rather than by show of hands. A separate notice of meeting for the General Meeting will be disseminated, with the General Meeting to occur on the same date as the Scheme Meeting (and to commence 10 minutes following the closing of the Scheme Meeting).

Entitlement to vote

If you are registered as an AWA Member (and are not a Minor) on the AWA Register as at **7.00pm (AEDT) on Saturday, 27 January 2024** you will be entitled to attend both the Scheme Meeting and vote on the resolution to approve the Scheme, and the General Meeting to vote on the resolution to approve the Constitutional Amendment. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting and the General Meeting.

In accordance with the AWA Constitution (Appendix 2, Division 1, A2-3(3)), Minors are not entitled to vote. A Minor is however, still entitled to receive the Scheme Consideration which is otherwise due to them in accordance with the Scheme.

Beyond Bank participation in Scheme Meeting or General Meeting

Beyond Bank does not hold any AWA Member Shares as registered holder and therefore will not participate in voting in relation to the Scheme Meeting or the General Meeting.

How to vote

Means	Voting instructions
In Person or online	<p>If you wish to vote in person, you may attend the Scheme Meeting commencing at 6.00pm (AEDT) on 29 January 2024.</p> <p>All persons entitled to vote must register their attendance by disclosing their name at the point of entry to the Scheme Meeting. Registration will commence at 5.30pm.</p> <p>You (or your proxy, corporate representative or attorney) may also attend the Scheme Meeting through an online platform. To attend the meetings electronically:</p>

	<p>(a) go to https://meetings.linkgroup.com/AWAscheme</p> <p>(b) login with your username and password or click “register” if you haven’t already created an account. Members are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.</p> <p>AWA Members and their proxies will be able to vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting.</p>
<p>By Proxy</p>	<p>You may vote by proxy by completing and returning the proxy form that is provided with this Scheme Booklet.</p> <p>In line with the AWA Constitution, AWA Members will be sent an email containing instructions about how to view and download a copy of the Scheme Booklet, as well as instructions on how to lodge their proxies for the Scheme Meeting.</p> <p>AWA Members who have elected (pursuant to the Corporations Act) to receive notices via post will be sent a printed copy of the Scheme Booklet together with a personalised proxy form and a reply paid envelope to return their proxies for the Scheme Meeting.</p> <p>The completed and duly executed proxy form for the Scheme Meeting (and if the proxy form is executed by an attorney, a certified copy of the power of attorney) must be received (either online or by Link Market Services Limited (the AWA Registry) by no later than 6.00pm (AEDT) on Saturday, 27 January 2024.</p> <p>A completed proxy form must be returned to AWA by lodging it online (at https://investorcentre.linkgroup.com/voting/AWAU) or by posting it in the reply prepaid envelope provided (if applicable) or by delivering or faxing your proxy form to the address set out on page 11 of this Scheme Booklet.</p> <p>AWA Members who have returned a proxy form may still attend the Scheme Meeting in person and revoke the proxy and vote at the Scheme Meeting.</p> <p>A proxy need not be an AWA Member. A proxy may be an individual or a representative of a body corporate.</p> <p>If you hold your AWA Share as a Joint Member, only the person named first in the AWA Register is entitled to receive a notice of meeting and entitled vote on behalf of all Joint Members.</p>
<p>By Power of Attorney</p>	<p>Your vote may be cast by a duly authorised attorney. An attorney need not be an AWA Member.</p> <p>AWA Members intending to vote at the Scheme Meeting by providing a power of attorney should provide a certified copy of the power of attorney to Link Market Services Limited by no later than 6.00pm (AEDT) on 27 January 2024. Note that a separate power of attorney is required for each of the Scheme Meeting and the General Meeting.</p> <p>The power of attorney must be delivered by posting it in the reply prepaid envelope provided (if applicable) or by delivering or faxing it to the address provided on page 10 of this Scheme Booklet.</p> <p>Alternatively, the attorney may bring a certified copy of the power of attorney to the Scheme Meeting.</p>
<p>By Corporate Representative</p>	<p>An AWA Member that is a body corporate may appoint an individual to act as its representative at the Scheme Meeting.</p> <p>To vote by corporate representative at the Scheme Meeting, a corporate AWA Member should obtain a “Certificate of Appointment of Corporate Representative” form (BCR Form) from Link Market Services Limited and complete that form in accordance with its instructions. Alternatively, a certified copy of the board resolution appointing the representative can be provided.</p> <p>BCR Forms or required certified board resolutions appointing the corporate representative should be provided to Link Market Services Limited by no later than 6.00pm (AEDT) on Saturday, 27 January 2024, or alternatively brought to the Scheme Meeting. Note that a separate BCF Form or certified board resolution is required for each of the Scheme Meeting and the General Meeting.</p>

Address for return of voting forms

AWA Members should mail their proxy forms, power of attorney forms to Link Market Services Limited (AWA's share registry) at the following address:

By Mail: AWA Mutual Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By Hand: Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

Online: <https://investorcentre.linkgroup.com/voting/AWAU>

Proxy forms, power of attorney forms and BCR Forms (or certified board minutes appointing a corporate representative must be received by **6.00pm (AEDT) on Saturday, 27 January 2024.**

Questions about this Scheme Booklet

AWA Members with any questions in relation to the Scheme should call 1300 365 790 between 8.30am and 5.30pm, Monday to Friday, or consult their legal, financial, or other professional adviser.

1. Overview of AWA, Beyond Bank and rationale for the Scheme

1.1 AWA and its current operating structure

AWA is an "Alliance Bank" that, provides a range of savings accounts, fixed term accounts, personal and business lending products, and foreign exchange services as agent for Bendigo & Adelaide Bank Limited (Bendigo).

AWA was originally incorporated in 1969 and initially operated as a credit co-operative, with its own banking licence, offering financial services to Alcoa of Australia³ Limited's employees and their families located at Point Henry, Victoria (VIC).

In 1990, services were extended to employees of Portland Aluminium (and their families), with the Company becoming known as 'AWA Credit Union Limited' in February 2002. In 2004, services were extended to Alcoa's employees based in Western Australian (WA), and the Mandurah WA branch was opened. Further mergers were undertaken in 2006, with Yennora Credit Union (expanding services to employees of Alcoa Yennora Plant (Sydney)); and in 2011, with the Geelong & District Credit Co-operative Society in 2011.

In 2014, AWA closed its Point Henry and Yennora branches and relocated its head office, to its current location at 49-51 Malop Street, Geelong.

In 2015, AWA restructured and entered into a Bendigo agency agreement with three other credit unions, which provided for an 'Alliance Bank Model'. This Alliance Bank Model allowed for AWA to administer Bendigo's banking products and services under the Alliance Bank brands with AWA trading as "AWA Alliance Bank"³. While customers transact through AWA they remain at all times, depositors with and borrowers from Bendigo. When AWA moved to the Alliance Bank Model, it subsequently surrendered its authorised deposit-taking institution (ADI) licence. It is therefore unable to independently carry out banking operations such as receive deposits and/or provide loans outside the Alliance Bank Model and can no longer call itself a credit union.

AWA's revenue is therefore generated under the Alliance Agreement (not directly from its customers) and is derived from its share of interest, fees and commissions earned under the Alliance Bank Agreement.

Bendigo has advised AWA that it will not renew the Alliance Bank Model following its initial term end date of February 2025. Therefore, if AWA wishes to continue to provide banking products and services to its members, it will need to implement a different operating framework, either by partnering with another ADI licenced institution (such as Beyond Bank) or by collaborating with Bendigo in a different way, such as part of a franchising agreement.

1.2 AWA Board process to determine path forward

As AWA's current operating structure will no longer be feasible at the conclusion of the current Alliance Bank Model, AWA requires a new path forward.

Over the past 18 months, the AWA Board has conducted a process to identify and evaluate available options. Although the possibility of reapplying for an ADI licence (to enable AWA to independently carry out banking operations) was considered, it was dismissed as the likelihood of success was considered low.

Accordingly, three main options were considered in detail, having regard to AWA's member value proposition (MVP) and its constitutional objectives to determine which option provided the greatest benefit to AWA Members. The preferred option, being the Scheme to facilitate a merger with Beyond Bank, arose out of that process.

Each of the alternative options are summarised below at Sections 1.4 to 1.6.

³ Note that Bendigo owns all the Alliance Bank trademarks (i.e. brands), not AWA or the other alliance bank partners.

1.3 AWA's MVP and constitutional objectives

AWA is an independent mutual financial services organisation that is owned by its members, where each member is a shareholder, and is therefore bound to its constitution. AWA's primary objectives as a mutual are documented within its Constitution and its Member Value Proposition which notes that AWA's purpose is to deliver benefits to members whilst having an overall positive impact on society and the environment.

AWA's Constitution provides AWA's intention: to encourage savings and co-operative enterprise amongst its members and customers; to provide programs and services to members and customers to assist them to meet their financial, economic and social needs; to promote and encourage human and social development among members and customers and within the larger community; and to further the interests of members and the communities through co-operation with other mutuals and co-operatives.

AWA's Member Value Proposition (**MVP**) encompasses the following key elements: being able to provide competitive financial services offerings that enable its members to meet all their banking needs, delivering contemporary financial services offerings through digital and mobile technology, and ensuring that its people provide its members, service providers and partners access to quality and personalised service.

Other elements of AWA's MVP comprise of providing physical access to the bank for its members; creating educational opportunities for members; providing products and advice to meet member needs; and to act as a socially and environmentally and sustainably responsible business whilst contributing financially to its community.

1.4 Option 1 - Community Bank Model with Bendigo

During discussions in relation to the pending termination of the Alliance Bank Model, Bendigo raised the possibility of AWA transitioning to a Community Bank Model. This involves the transition of AWA's existing operations to Bendigo's franchise model (known as its Community Bank Model or 'CB Model').

Under the CB Model, AWA (as franchisee) would enter into a franchise agreement with Bendigo (as franchisor) that would enable it to continue to sell Bendigo's banking products and services. AWA would need to rebrand (from "Alliance Bank AWA" to "Bendigo Community Bank AWA *location*", for example 'Bendigo Community Bank AWA, Geelong), migrate existing AWA customers to Bendigo Bank's core banking platform and deliver the products and services using Bendigo's rates and pricing and in adherence with Bendigo's lending practices and operational policies. The AWA Board considered that this was less likely to be consistent with the MVP.

Although the CB Model appears similar to the AB Model⁴, it would operate quite differently from a legal and operational perspective. It would not affect the ownership of AWA or the rights and entitlements of AWA Members as shareholders (as opposed to banking customers). It would however affect their rights as banking customers and would provide for a lower level of autonomy than that currently enjoyed by AWA under the AB Model.

Ultimately the AWA Board formed the view that this option was an inferior proposal to the merger with Beyond Bank. In particular, under the CB Model:

- Some AWA Members (as customers) may forego certain member benefits (e.g, fee waivers and interest rate discounts / rebates).
- Community benefits and initiatives of AWA will need to be discontinued.
- The new Community Bank would have less control of branch operations and decisions impacting members.
- AWA's employees are likely to experience a number of their roles becoming redundant.

⁴ In that under each, AWA is a standalone mutual entity that delivers Bendigo banking products and services.

1.5 Option 2 - Merger with another ADI

The AWA Board focused on identifying ADIs that could potentially assume Bendigo's role within the Alliance Bank Model (or similarly structured model) or serve as a potential merger partner.

The proposed Merger with Beyond Bank, pursuant to which Beyond Bank will acquire 100% of the member shares on issue in AWA was the preferred option that arose out of the review process. No other superior merger proposals have arisen.

Like AWA, Beyond Bank is a mutual organisation, owned by and for the benefit of its members and the communities in which they live.

Pertinently, Beyond Bank has offered the following commitments to AWA and its customers, which the AWA Board see as best aligning with AWA's MVP and constitutional objectives:

- Members as customers – commitment to honour all pricing and fee waiver arrangements on existing AWA Member (deposit and loan) accounts that transition across, with new products to be subject to Beyond Bank's pricing framework. Additionally, Beyond Bank has a superior digital banking platform (offering internet banking and mobile applications) and a far more extensive branch network with 47 locations spread across New South Wales (NSW), South Australia (SA), West Australia (WA), the Australian Capital Territory (ACT), and Victoria (VIC).
- Members as shareholders – Beyond Bank will also automatically offer its "Life Membership" program (which includes additional fee waivers and interest rate benefits) to those AWA Members that have held an active account with AWA for more than 20 years (which currently represent approximately 43% of AWA's total member base)⁵.
- AWA Existing Branches – commitment to AWA's Geelong branch remaining open; commitment to consolidate AWA's Mandurah branch with Beyond Bank's existing Mandurah Branch (located less than one kilometre from AWA's existing branch); commitment to open an additional branch in the town centre of Portland (with AWA's branch that currently operates out of the aluminium smelter located at Point Danger to remain and be maintained under an agency arrangement to ensure that members are able to access financial services on site. The agency will be maintained for as long as the Portland aluminium smelter remains in operation and where access to premises continues to be granted. Operating hours will be subject to ongoing review based on demand for services.
- Community and philanthropy – commitment to continue AWA's existing philanthropic partnerships, social impact lending and revenue share arrangements with AWA's community partner organisations in the short term, with a further one-off contribution of \$200,000 to AWA's philanthropic partnership program (via the Beyond Bank Australia Foundation).
- AWA Employees - commitment to offer all existing AWA staff (i.e. customer facing and non-customer facing staff including senior management) a role in the merged entity, the terms of which will be, at a minimum, equivalent to the existing terms and conditions of employment at AWA. AWA staff entitlements and length of service will be recognised for all AWA employees that accept roles at Beyond Bank.

1.6 Option 3 - Wind-up AWA (the last resort)

The AWA Board also considered a voluntarily wind-up of AWA on an orderly basis. This would involve the appointment of a liquidator who would gradually sell AWA's assets, use the cash to pay all outstanding debts, with any residual / surplus funds remaining to be distributed to AWA Members in accordance with the rights attaching to their shares. AWA would be subsequently dissolved and cease to exist.

⁵ The Beyond Bank Tenure Adjustment (forming part of the Scheme Consideration) will ensure that an AWA Member will be considered to have become a member of Beyond Bank from the date they first became a member of AWA (provided that AWA membership has been continuously held), or in the case of a Duplicate Member, the earlier of the date they first became an AWA Member (subject to that membership being continuously held) and the date they first became a member of Beyond Bank (subject to the Beyond Bank membership being continuously held).

For this to occur, AWA's Members would need to pass a special resolution (requiring 75% or more of the votes cast, to be in favour) approving the wind-up. There is no guarantee that there would be sufficient AWA Member support to approve this.

Whilst AWA Members might receive a cash payment in this scenario, as is always the case with a hypothetical winding up and liquidation of assets, there is no certainty as to the likely amount AWA Members might receive.

AWA's Board considered the wind up to be an option of last resort and inferior to the current Scheme proposal because (amongst other things) of the uncertainty of any cash amount that might be distributed to AWA Members, and pertinently, due to this option being inconsistent with AWA's MVP and constitutional objectives.

1.7 Overview of Beyond Bank

Beyond Bank is one of Australia's largest customer-owned banks, operating for over 60 years. It offers a wide range of banking services for individuals and businesses, including savings and business accounts, online banking, home and business loans, mobile lending, and credit cards.

Beyond Bank serves more than 290,000 customers and manages over \$8.9 billion in assets. It has 48 locations across the Australian Capital Territory, New South Wales, South Australia, Victoria, and Western Australia.

As a customer-owned bank, all profits are reinvested to benefit customers through competitive rates, fair fees, responsible lending, great customer service, and award-winning online banking and mobile app.

Beyond Bank is also a certified B Corp, meaning they meet high standards of social and environmental performance, transparency, and accountability. It aims to use its business for positive impact, benefiting their customers, communities, and the environment.

The bank collaborates with over 5,000 community groups, supporting charitable initiatives through fundraising, donations, and volunteering. Since 2007, the Beyond Bank Foundation has contributed millions to various community groups, focusing on areas like housing affordability, aged care, disability support, and financial education.

Further detailed information on Beyond Bank is included at Section 8.

1.8 Comparison of AWA and Beyond Bank - the right fit

AWA and Beyond Bank exist for the same reason: to support their respective members to reach their financial goals. By combining these organisations, we will continue this tradition whilst benefiting from Beyond Bank's superior branch and online presence and using the power of membership scale to improve benefits to our members.

The below table provides a useful comparison (with figures current as at 30 June 2023 unless otherwise stated):

	AWA	Beyond Bank	Combined Group
Purpose / Mission	To empower members and communities to improve their financial wellbeing.	Beyond Bank's vision is not to be the biggest bank, but to be the best bank for relationships.	The vision is not to be the biggest bank, but to be the best bank for relationships.
Vision	To significantly contribute to an improved and sustainable future for our members and local communities.	To be the leading customer-owned financial services group, renowned for enriching the lives of our customers and their community.	To be the leading customer-owned financial services group, renowned for enriching the lives of our customers and their community.

Values	<ul style="list-style-type: none"> • Customer Owned • People Before Profit • Personalised Service • Support our Communities • Act Responsibly • Respect Diversity 	<ul style="list-style-type: none"> • Mutuality • Customer First • Community • Integrity • Business Sustainability 	<ul style="list-style-type: none"> • Mutuality • Customer First • Community • Integrity • Business Sustainability
Origins	Credit Co-operative founded in 1969	Credit Union founded in 1958	Combined 129 years of mutuality and supporting members and local communities
Head Office	Geelong	Adelaide	Adelaide
Locations	VIC, WA	ACT, NSW, SA, VIC, WA	ACT, NSW, SA, VIC, WA
Members	3,921 (as at 31 October 2023)	290,503 ⁶	294,576 ⁶
Number of Branches⁶	3	48	50
Employees⁶	17 (14.2 FTE)	748 (645.15 FTE)	765
Assets⁶	\$17.2 M	\$8,989.6 M	\$9,333.7 M
Annual Community Contribution⁷	\$392,000	\$1.95 M	>\$2.32 M
B Corp Score⁶	104.6	146.7	146.7

⁶ B Corp Score as at 30 June 2023, please refer to section 1.7 for an explanation of B Corp Scores and how they are calculated.

2. Key reasons to vote in favour of the Scheme

This section summarises the key reasons why the AWA Directors recommend that AWA Members vote in favour of the Scheme.

This section should be read in conjunction with sections 3, 4 and 9, which describe the disadvantages and risks associated with the Scheme, implications if the Scheme does not proceed and risk factors associated with an investment in a New Beyond Bank Member Share.

2.1 Each AWA Director recommends that AWA Members vote in favour of the Scheme, in the absence of a Superior Proposal

AWA's Board believes that Beyond Bank is the right fit for AWA and its members and that the proposed merger with Beyond Bank is in the best interests of the AWA Members. It offers a path forward for the continuation of AWA's banking business, with a secure future that is in alignment with our vision and values, our core objectives, and our culture, and best able to deliver on the member value proposition that has steered the AWA Board through the process to map out AWA's future Beyond Bank the Alliance Bank Model.

In summary, the merger via the Scheme will deliver:

- best alignment with AWA's purpose, mission, constitutional objectives and the MVP;
- a secure future for AWA's Members through the continuation of current products and services;
- continuation of AWA's member benefits, with existing low fees, pricing discounts, fee waivers and rebates (for deposits and loan products) to be honoured by Beyond Bank;
- access to additional member benefits, with qualifying AWA Members automatically being offered access to Beyond Bank's Life Member Benefits (including additional fee waivers and interest rate benefits);
- ongoing benefits to our communities, with continuation of AWA's current community and philanthropic programs and partnering arrangements at their existing levels, in the short term (with a view to integration into their own model in the medium to longer term). Additionally Beyond Bank have committed an additional \$200,000 in grants to AWA's philanthropic partnership program;
- new community benefits are provided through the Beyond Bank Australia Foundation, established to promote sustainability via community programs and partnerships, all aimed at creating greater collective good. Since 2007, the Foundation has contributed millions to community organisations, and, in times of need, has stood with Beyond Bank's customers and communities affected by natural disasters, offering support. Additionally, Beyond Bank facilitates a primary school education program to establish robust financial literacy foundations within the community;
- better service delivery, with access to Beyond Bank's superior technology, digital and mobile banking platforms, and access to Beyond Bank's call centre and online chat outside of traditional business hours;
- access to a far more extensive branch network, with over 40 branches throughout Australia (in NSW, SA, WA, ACT and VIC);
- continuing local representation with branches to remain in all towns currently serviced by AWA (Geelong, Portland and Mandurah);
- benefits to AWA employees, with commitments from Beyond Bank to retain all existing AWA staff with access to broader future opportunities within Beyond Bank's substantially larger ecosystem;
- access to additional service offerings of Beyond Bank, including access to their financial advisory services and comprehensive information on their website in regards to products;

- smooth integration, with Beyond Bank having a strong merger track record and demonstrated capability to transition staff, customers and operations into their ecosystem.

Additionally, no other Superior Proposal or more suitable option has emerged. The AWA Directors consider that the Scheme will deliver greater benefits to AWA Members than any other alternative currently available (as discussed at Section 1 above and in detail in the Independent Expert's Report at Annexure B).

The AWA Directors consider that the reasons to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme (discussed at Section 3).

For the reasons outlined above, each AWA Director recommends that in the absence of a Superior Proposal (and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members), all AWA Members vote in favour of the Scheme.

Each AWA Director presently intends to vote in favour of the Scheme in respect of the AWA Member Shares they own or control.

2.2 The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is reasonable and in the best interests of AWA Members

Lonergan Edwards & Associates Limited, as Independent Expert, has considered the terms of the Scheme and has concluded that, in the absence of a Superior Proposal, the Scheme is reasonable and in the best interests of AWA Members. In reaching this conclusion, the Independent Expert has concluded that the Scheme is 'reasonable', but has formed the view that it is not possible to assess the market value of a membership interest in either AWA or Beyond and that as a consequence, it is not relevant, meaningful or possible to form a view on whether the Scheme is 'fair'.

In reaching this opinion, the Independent Expert has concluded that the advantages of the Scheme outweigh its disadvantages for the reasons set out in the Independent Expert's Report. The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure B. AWA's Directors encourage you to read the Independent Expert's Report in its entirety.

2.3 No Superior Proposal has emerged as at the date of this Scheme Booklet

In deciding to recommend the Scheme, the AWA Directors were cognisant of other potential alternatives to the Merger which remain open for AWA to consider if the Merger does not proceed. However, in exploring alternatives, no Superior Proposals have emerged. It therefore remains the view of the AWA Directors that it is unlikely that a Superior Proposal will transpire. As at the date of this Scheme Booklet, the AWA Directors are not aware of any Superior Proposal.

2.4 Scheme expected to be tax neutral

If the Scheme is implemented, Scheme Participants may benefit from Australian CGT rollover relief, provided they qualify. Notwithstanding, you are urged to seek professional taxation advice in relation to your own personal circumstances.

For further detail regarding the general Australian tax consequences of the Scheme, please refer to section 10 of this Scheme Booklet. Taxation laws in Australia are complex and you are encouraged to read section 10 carefully and seek independent professional advice about your individual circumstances.

3. Reasons why you may choose to vote against the Scheme

This section summarises the potential disadvantages and risks to AWA Members if the Scheme becomes Effective and the merger occurs. The AWA Directors consider that these disadvantages are outweighed by the advantages of the Scheme (as set out in section 1), and that the Scheme is in the best interests of AWA Members.

Further details of the following potential disadvantages and risks, and other potential risks are set out in section 9.

3.1 You may disagree with the conclusion of the Independent Expert and the recommendation of your AWA Directors

Notwithstanding the unanimous recommendation by the AWA Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal, the Scheme is reasonable and in the best interests of AWA Members, you may believe that the Scheme is not in your best interests or believe that the Scheme Consideration is inadequate.

3.2 You may consider that there is the potential for a Superior Proposal to emerge for AWA in the foreseeable future

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Merger would mean that AWA Members would not be able to obtain the benefit of any such Superior Proposal. However, since the announcement date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the AWA Directors aware of any such intention of a party to make such a proposal.

3.3 The Scheme is subject to key approvals and conditions

The Scheme is subject to a number of conditions, including required regulatory approvals (such as APRA approval to the Statutory Transfer of banking products to Beyond Bank), the Requisite Majorities being obtained to secure AWA Member approval, and Court approval. A fulsome summary of all Scheme Conditions is contained at Section 11.2 of this Scheme Booklet.

There is no guarantee that a sufficient level of AWA Member support will be forthcoming in order to reach the Requisite Majorities.

As is the case with all schemes of arrangements in Australia, there is a risk that the Court may not approve the Scheme or that the approval of the Court is delayed. Additionally, ASIC may object to the Scheme. If it does, the Court must consider (but is not bound to follow) ASIC's submissions.

There is also no guarantee that APRA will approve the Statutory Transfer. Without APRA's approval, Bendigo will be unable to transition AWA's Member products and services to Beyond Bank.

3.4 There are risks and costs associated with implementing the Scheme

There are a number of other risks associated with the Scheme, including integration risks, employee transition risk, loss of the AWA brand and identity, transaction costs and potential taxation consequence.

Section 9 also sets out more detailed information in relation to the potential risk factors associated with the Scheme.

AWA Members should consider the disclosures regarding these risks and costs when deciding how to vote on the Scheme.

3.5 AWA will lose its brand identity

AWA will become a wholly owned subsidiary of Beyond Bank and will no longer be able to operate under the "AWA Alliance Bank" brand (which is owned by Bendigo).

3.6 After the merger, Beyond Bank will have great exposure to liabilities

Beyond Bank will assume all of the assets and all of the liabilities of AWA, as well as those associated with AWA's customers that are being transferred from Bendigo to Beyond Bank via the Statutory Transfer. AWA Members will therefore be exposed to a wide range of and more liabilities, including all of the pre-merger activities of both AWA and Beyond Bank.

3.7 The merger will result in certain changes to member rights

Each AWA Member will cease being a member of AWA on the Implementation Date and will become a member of Beyond Bank. Accordingly, the AWA Constitution will cease applying to you at that point and the Beyond Bank Constitution will apply instead. While member rights and obligations under the Beyond Bank Constitution will be materially similar to your rights and obligations under the AWA Constitution, there will be certain limited differences. Details of the material differences are set out in Annexure A of this booklet.

Whilst the AWA Constitution will also be amended to effect the Constitutional Amendment, this will only take effect if all of the other Scheme conditions have been met, and just prior to the Implementation Date, in order to facilitate the ability for Beyond Bank to receive the Scheme Shares and re-compose AWA's Board. As such, AWA's members will only be impacted by the Constitutional Amendment for a brief moment in time, after which only Beyond Bank (as the sole member) will be affected.

The merger will also impact the rights of a limited number of AWA members under the Federal Government's Financial Claims Scheme (**FCS**). When the merger takes effect, all deposits held by Bendigo (on behalf of AWA Members) will be held by Beyond Bank and the \$250,000 deposit guarantee of the FCS will apply to combined deposits held by Beyond Bank.

This will not impact you if you do not have amounts on deposit with Bendigo (through the AWA Alliance Banking arrangement) and Beyond Bank, or if you do have amounts on deposit with both which are \$250,000 or less in total. If, however, you do have amounts on deposit with both Bendigo and Beyond Bank which are greater than \$250,000 in total, then when the merger takes effect, you will lose the benefit of having two separate \$250,000 guarantees.

3.8 The tax consequences of the Scheme may not suit your current financial position

If the Scheme is implemented, you may incur a tax liability on the transfer of your AWA Member Shares. Please refer to section 10 for further information for an overview of the tax implications under Australian law.

All AWA Members are strongly advised to seek independent professional tax advice about their particular circumstances.

4. Implications if the Scheme is not implemented

This section outlines potential implications for AWA and AWA Members if the Scheme is not implemented.

4.1 You will not receive the Scheme Consideration

Each AWA Member will retain their AWA Member Share and will not receive a New Beyond Bank Member Share or the Cash Consideration (\$10.00) that would otherwise be issued or paid to them if the Scheme proceeds.

4.2 Transaction costs will be incurred

If the Scheme is not implemented, AWA's transaction costs of approximately \$600,000 are estimated to be incurred by AWA.

4.3 AWA's future will be uncertain

Bendigo has advised AWA that it will not renew the Alliance Bank Model following its initial term end date of February 2025. Therefore, if AWA wishes to continue to provide banking products and services to its members, it will need to collaborate with Bendigo in a different way, such as seeking to become part of the Community Banking (Franchise) Model. It is uncertain whether Bendigo will agree to this in the context of the Scheme not being implemented.

Where the AWA Directors cannot reach agreement with Bendigo to allow AWA to continue to provide banking products and services to its members, AWA will have to cease to provide those products and services and it will in turn start the process to wind down the company. Unless Bendigo otherwise agrees (which it is not obliged to do), as a consequence of the Alliance Agreement coming to an end, all AWA Members will remain customers of Bendigo and their customer information will migrate to Bendigo's core banking platform. Importantly, Bendigo will determine the impact on products and services presently held by AWA Members and would be obliged to formally notify AWA Members of any changes, should that eventuate. It is likely that the terms of products and services would be adjusted in line with equivalent products and services currently offered by Bendigo.

5. Frequently Asked Questions

This section provides brief answers to questions you may have in relation to the Scheme but must be read in conjunction with the more detailed information in this Scheme Booklet.

Questions about the Scheme	
What is the Scheme?	<p>The Scheme is a proposed acquisition by Beyond Bank of AWA to be implemented by way of scheme of arrangement under Part 5.1 of the Corporations Act between AWA and AWA Members on the Scheme Record Date (Scheme Participants) under which the AWA Member Shares held by Scheme Participants will be transferred to Beyond Bank in consideration for issuance by Beyond Bank of the Scheme Consideration.</p> <p><i>Refer to sections 6 and 11 for further information.</i></p>
What is the Scheme Consideration?	<p>The Scheme Consideration is set out in full at page 6 - 7 and at section 6.2 of this Scheme Booklet.</p> <p>In summary, a Scheme Participant will receive one New Beyond Bank Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00, except that:</p> <ul style="list-style-type: none"> • the Secondary Member of Joint Members where neither the Primary Member nor Secondary Member holds a Beyond Bank Member Share on the Scheme Record Date will receive one New Beyond Bank Member Share taken to have been issued (and fully paid up) with a nil subscription price; • Duplicate Members that are not Joint Members will receive the Cash Consideration (of \$10.00) and the Beyond Tenure Adjustment. • Duplicate Members that are Joint Members and; <ul style="list-style-type: none"> - where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, will receive the Cash Consideration (paid to the Primary Member) and the Beyond Tenure Adjustment will be made; and - where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment. <p>The Beyond Tenure Adjustment recognises whichever member tenure (the AWA Member tenure or the Beyond Bank Member tenure) has been longest held, provided such tenures have been consecutively held.</p> <p>The New Beyond Bank Member Shares will otherwise be on the same terms as all other Beyond Bank Member Shares.</p> <p>If the Scheme becomes Effective, Scheme Consideration will be received by each AWA Member irrespective of whether they voted for or against the Scheme. See section 6.8 as to the manner in which the Scheme Consideration will be provided.</p>

<p>What value does the Scheme imply for my AWA Member Shares?</p>	<p>As explained by the Independent Expert in the Independent Expert's Report, the AWA Members are effectively swapping an interest in one mutual (AWA) for an interest in another mutual (Beyond Bank), rather than giving up the benefits of their existing membership and exchanging their interest for cash⁷ and/or marketable scrip in an acquiring entity⁸. For reasons stated at paragraph 49 of the Independent Expert's Report, the Independent Expert has expressed an opinion that it is not possible to assess the market value of a membership interest in either AWA or Beyond. As a consequence, the Independent's expert view is that it is not relevant, meaningful or possible to form a view on whether the Scheme is "fair" (as defined in RG 111).</p> <p><i>Refer to pages 5, and 18 - 20 of the Independent Expert's Report at Annexure E, under the heading "Basis of assessment".</i></p>
<p>What is the effect of the Scheme?</p>	<p>If the Scheme is approved by the Requisite Majority of AWA Members and the Court:</p> <ul style="list-style-type: none"> • Beyond Bank will acquire all of the AWA Member Shares by means of a members' scheme of arrangement • in exchange, Scheme Participants will receive either one New Beyond Bank Member Shares or \$10.00 in cash irrespective of whether they voted for or against the Scheme; and • AWA will become a wholly-owned Subsidiary of Beyond Bank. <p>AWA's Board will also be re-composed (as is appropriate for a subsidiary of Beyond Bank), with all of the current AWA Directors to resign with effect from the Implementation Date, to be replaced by new directors nominated by Beyond Bank.</p> <p><i>Refer to section 6.2 for detailed information in relation to the Scheme Consideration and sections 6.1 and 8 and 11 for further information.</i></p>
<p>What is the Independent Expert's conclusion?</p>	<p>The Independent Expert considers that it is not relevant, meaningful or possible to form an opinion as to "fairness" of the Scheme (refer to the 'What value does the Scheme imply for my AWA Member Share?' row above as to reasons).</p> <p>The Independent Expert has however concluded that the Scheme is, in the absence of a Superior Proposal, reasonable and in the best interests of AWA Members.</p> <p><i>The Independent Expert's Report is set out in Annexure B to this Scheme Booklet and you are encouraged to read it in full.</i></p>
<p>What do the AWA Directors recommend?</p>	<p>The AWA Directors unanimously recommend that, in the absence of a Superior Proposal, AWA Members vote in favour of the Scheme.</p> <p>Each AWA Director who holds or controls AWA Member Shares intends to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members.</p> <p><i>Refer to section 2 for further information on the reasons for the AWA Directors' recommendation.</i></p>

⁷ With the exception of those AWA members that already hold a membership in Beyond Bank, who will receive Cash Consideration equivalent to the subscription price they originally paid for their AWA member share (i.e. \$10.00). The Beyond Bank Tenure Adjustment shall also be made if applicable.

⁸ In these situations, the acquiring entity will typically have a single objective of maximising returns to its shareholders and will have no mandate to provide ongoing benefits to members as customers (or to return value to members as customers).

<p>Are there disadvantages to the Scheme?</p>	<p>Yes. The disadvantages associated with the Scheme and reasons why you may choose to vote against the Scheme are set out in section 3, some of which include that:</p> <ul style="list-style-type: none"> • a Superior Proposal may emerge; • the Scheme remains subject to approvals, conditions and implementation risks; • AWA will lose its brand identity; • the Scheme will result in certain changes to member rights; • the Scheme may have tax implications for you. <p>In reaching their recommendation (that AWA Members should vote in favour of the Scheme), your Board considered that the advantages of the Scheme outweigh the disadvantages.</p> <p><i>Refer to section 3.</i></p>
<p>Who is entitled to participate in the Scheme?</p>	<p>AWA Members recorded on the AWA Register as at 7.00pm (AEDT) on Friday, 23 February 2024 (being the Scheme Record Date) are entitled to participate in the Scheme (Scheme Participant). If the Scheme is approved and implemented, Scheme Participants will receive the Scheme Consideration applicable to them.</p> <p>Whilst a Minor is not entitled to vote on the Scheme (in accordance with the AWA Constitution (Appendix 2, Division 1, A2-3(3)), Scheme Participants who are Minors are still entitled to receive the Scheme Consideration which is otherwise due to them in accordance with the Scheme.</p> <p><i>Refer to section 6.2 for further information.</i></p>
<p>Why are some AWA Members receiving different Scheme Consideration?</p>	<p>The default position is that AWA Members will swap their existing AWA Member Share for a New Beyond Member Share and will therefore preserve (or rollover) their right to have that subscription fee returned to them as a Beyond Bank Member. However, as a mutual bank, the Beyond Constitution does not permit a person to hold more than one share in Beyond Bank. Accordingly, Beyond Bank has determined that Duplicate Members will be treated as follows:</p> <ul style="list-style-type: none"> • For a Duplicate Member, that is either not a Joint Member, or is a Joint Member but only the Primary Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date - these members will receive the Cash Consideration and have the Beyond Tenure Adjustment made. This is appropriate as these members have paid a subscription fee of \$10.00 for their AWA Share and have also paid a separate subscription fee to Beyond Bank for their Beyond Bank Share. As such, they are effectively having the subscription fees paid to AWA returned to them. <p>For a Duplicate Member, where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment. This is appropriate as it ensures that after the Scheme, each Primary Member and Secondary Member ends up holding one share each in Beyond Bank. Further, as Secondary Members have not paid a subscription fee to AWA, there is no need to return any funds to them.</p> <p><i>Refer to section 6.2 for further information.</i></p>
<p>Who is Beyond Bank?</p>	<p>Beyond Bank Australia Limited is a customer-owned bank that offers a traditional range of retail and business banking products and services including savings and business transaction accounts, online banking, home loans, personal and business loans and credit cards.</p> <p><i>Refer to section 8 for further information.</i></p>

<p>Why has the transaction been structured as a scheme of arrangement?</p>	<p>Effecting the transaction by way of a scheme of arrangement is believed to be the most efficient structure to implement the Transaction. It also reflects the co-operative nature of the merger.</p> <p><i>Refer to sections 2 and 3 for the key reasons to vote in favour of the Scheme and the reasons why you may choose to vote against the Scheme respectively.</i></p>
<p>What voting majority is required to approve the Scheme?</p>	<p>For the Scheme to be approved by AWA Members, votes in favour of the Scheme must be received from:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of AWA Members present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate AWA Members, by corporate representative); and • AWA Members who together hold at least 75% of the total number of votes cast on the Scheme Resolution.
<p>When will I receive my Scheme Consideration?</p>	<p>If the Scheme becomes Effective, Scheme Consideration will be provided on the Implementation Date, which is expected to be 1 March 2024.</p> <p>Unless otherwise directed by a Scheme Participant before the Scheme Record Date, Cash Consideration will be paid by direct credit to the AWA Member Account or by way of cheque.</p> <p><i>Refer to sections 6.2 and 6.8 for further information.</i></p>
<p>Will I have to pay brokerage fees or stamp duty under the Scheme?</p>	<p>Scheme Participants will not be required to pay brokerage or stamp duty on the transfer of their AWA Member Share.</p> <p><i>Refer to Sections 6.1(a) and 10.2 for further information.</i></p>
<p>Will the Scheme be a taxable transaction for Australian tax purposes?</p>	<p>Section 10 provides a summary of the general Australian tax consequences of the Scheme for certain Scheme Participants.</p> <p>You should consult with your own tax adviser regarding the consequences of disposing of your AWA Member Share under the Scheme, in light of current tax laws and your particular personal circumstances.</p> <p><i>Refer to section 10 for further information.</i></p>
<p>What are the benefits of Beyond Bank acquiring AWA?</p>	<p>The most significant and important benefit of combining AWA and Beyond Bank is to provide a certain and secure future for continuation of banking services to AWA Members, in view of the pending termination of the Alliance Agreement under which AWA currently operates.</p> <p>The AWA Board have also determined that the merger option with Beyond Bank provides the best option, which is most consistent with the constitutional objectives and Member Value Proposition of AWA. Some of the key benefits will include:</p> <ul style="list-style-type: none"> • retention of existing banking benefits including pricing and no loan, account keeping or transaction fees; • access to a much larger branch network; • access to superior technology platforms, including digital and online banking services; • continuity of member servicing by existing AWA staff; • AWA staff receiving job security, flexibility and opportunity; • continuation of AWA's community and philanthropic programs. <p><i>Refer to section 2 for the reasons why the AWA Directors recommend that you vote in favour of the Scheme.</i></p>

<p>What will be the strategy of the Combined Group?</p>	<p>If the Scheme is implemented it is intended that the business of AWA will be integrated into Beyond Bank's existing business and will be continued substantially in the same manner as it is presently being conducted.</p> <p>Both AWA and Beyond Bank have similar strategic directions and a mutual approach, ensuring benefits continue to go back to members and the community – not external shareholders. The strategy of creating and returning value to members by building total financial solutions, while providing greater support to local communities, is an objective that both organisations have been individually pursuing.</p> <p>The Combined Entity will pursue a values-driven operating model based on providing total financial solutions underpinned by a unique customer experience and service proposition. The strategies aim to assist members in managing their evolving financial needs through the provision of innovative products and services while also supporting the communities in which they live and work.</p> <p><i>Refer to sections 8 for further information.</i></p>
<p>What will the Combined Group be called?</p>	<p>The Combined Group will operate under the name of 'Beyond Bank Australia Limited' and AWA will be a wholly-owned subsidiary of Beyond Bank.</p> <p><i>Refer to section 8.14 for further information.</i></p>
<p>Who will be the Chairman following the Scheme?</p>	<p>The current Chair of Beyond Bank's Board (Sandra (Sam) Andersen) will continue to serve in this position after the Scheme is implemented.</p> <p><i>Refer to section 8.14(c) for further information.</i></p>
<p>Who will be on the Board following the Merger?</p>	<p>No changes will be made to the Beyond Bank Board, which will operate as the governing board of the Combined Group.</p> <p>However, the AWA Board will be entirely re-constituted with all existing AWA Board members to resign and be replaced with persons nominated by Beyond Bank, as is appropriate for a wholly owned subsidiary.</p> <p>As such, the current AWA Board will not have an ongoing role in the management of the Combined Group. Two members of the current AWA Board will however serve as members of the Transaction Implementation Committee that will oversee integration for the 12 months following the Implementation Date.</p> <p><i>Refer to section 8.14(c) for further information.</i></p>
<p>Are there expected to be any changes to staffing as a result of the Merger?</p>	<p>All AWA staff will receive offers of employment from Beyond Bank.</p> <p>The current CEO of Beyond Bank shall remain the CEO of Beyond Bank on and from the Implementation Date.</p> <p>The CEO of AWA will be offered an executive role at Beyond Bank.</p> <p>All other staff and senior management will be offered roles and employment on terms and conditions substantially similar to, and considered on an overall basis, no less favourable than, those in place with AWA at the Implementation Date. As such, no redundancies are expected, unless an AWA employee chooses not to accept the offered role with the Combined Group. Any redundancy payments shall be paid by Beyond Bank.</p> <p><i>Refer to section 8.14(c) for further information.</i></p>
<p>What will the dividend policy of the Combined Group be?</p>	<p>Following implementation of the Scheme, all AWA members will transition to becoming a Beyond Bank Member, and will have a right to participate in any dividend that Beyond Bank pays only if the general meeting approves the payment of the dividend on a Beyond Bank Member Shares.</p> <p>Beyond Bank does not have a history of paying dividends on its Beyond Member Shares.</p> <p><i>Refer to section 8.14(e) for further information.</i></p>

<p>What is the timetable for the Scheme?</p>	<p>If AWA Members approve the Scheme and Court approval is obtained, the Scheme is expected to be implemented on 1 March 2024. This is based on the current scheduled timetable of key dates as set out in this Scheme Booklet, which is subject to possible change.</p> <p><i>Refer to the important dates and times on page 7 of this Scheme Booklet for further information.</i></p>
<p>What are the Scheme Conditions?</p>	<p>The Scheme Conditions that have not already been satisfied as at the date of this Scheme Booklet are described in sections 11.2 and 12.1.</p> <p>The Scheme will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> • the Requisite Majority of AWA Members approve the Scheme; • AWA Members also approved the Constitutional Amendment; • APRA approves the Statutory Transfer (to enable AWA Members' banking products and services to be migrated to Beyond Bank); • the Court approves the Scheme; and • the remainder of the Scheme Conditions are satisfied or waived. <p>At the date of this Scheme Booklet the AWA Directors are not aware of any Scheme Condition that is likely to prevent the Scheme becoming Effective and the Merger progressing.</p> <p><i>Refer to sections 11.2 and 12.1 for further information.</i></p>
<p>What happens if one or more of the Scheme Conditions are not satisfied or waived or the Scheme is not approved?</p>	<p>Unless the Scheme Condition is capable of being waived and is waived by either AWA or Beyond Bank (as applicable), the Scheme will not be implemented, and AWA and Beyond Bank will continue as separate entities, with each company bearing its own costs incurred as a result of the transaction.</p> <p>This includes if the Scheme is not approved by AWA Members or by the Court.</p> <p>No break-fee is payable by either party to the other if the Scheme does not proceed.</p> <p>However, as the current Alliance Agreement must come to an end by February 2025, if AWA wishes to continue to provide banking products and services to its members, it will be required to collaborate with Bendigo in a different way by seeking to become part of the Community Bank (Franchise) Model. It is uncertain whether Bendigo will agree to this in the context of the Scheme not being implemented.</p> <p>Where the AWA Directors cannot reach agreement with Bendigo to allow AWA to continue to provide banking products and services to its members, AWA will have to cease to provide those products and services and it will in turn start the process to wind down the company. All AWA Members will become customers of Bendigo and their deposits and loans will migrate to Bendigo's core banking platform, and Bendigo's products, as a consequence of the Alliance Agreement coming to an end.</p> <p><i>Refer to section 4 for further information regarding the implications if the Scheme is not implemented. See also section 12.1 for a summary of the outstanding Scheme Conditions.</i></p>
<p>Under what scenarios can AWA or Beyond Bank terminate the Scheme?</p>	<p>The Merger Implementation Agreement sets out the circumstances in which AWA or Beyond Bank can terminate the Merger Implementation Agreement (and therefore terminate the Scheme).</p> <p>These include the Scheme not being approved by the Requisite Majority of AWA Members and if the remainder of the Scheme Conditions are not satisfied (or waived, if capable of waiver) by the relevant time.</p> <p><i>Refer to section 12.2 for further information.</i></p>

<p>What is the Alliance Agreement?</p>	<p>The Alliance Agreement is an agency agreement with Bendigo. Under the model, AWA distributes Bendigo's banking products and services (e.g. deposit and loan accounts), using the "AWA Alliance Bank" brand (which is legally owned by Bendigo). While customers transact through AWA they remain at all times, depositors with and borrowers from Bendigo. For this reason the Statutory Transfer of these loans and deposits from Bendigo to Beyond Bank must also occur.</p>
<p>What approvals does APRA need to provide?</p>	<p>APRA must provide respective regulatory approvals in respect of the transfer of the AWA member loans and deposits from Bendigo to Beyond Bank, known as the "Statutory Transfer".</p>
<p>What is the Statutory Transfer?</p>	<p>As outlined above, because the deposits and loans held by AWA customers are legally loans and deposits of Bendigo (by virtue of the Alliance Agreement), AWA is not able to pass these directly to Beyond Bank as part of the Scheme.</p> <p>This must be facilitated through a regulatory process which is provided for in the Transfer Act, which was enacted to specifically provide for the transfer of banking products and services from one ADI (in this case Bendigo) to another (in this case Beyond Bank). In this case, the transfer is to be a "partial transfer" of Bendigo's banking business (to the extent it relates to AWA and flows from the Alliance Agreement) which is being done on a "voluntary" basis by each of Bendigo and Beyond Bank. This partial and voluntary transfer is referred to as the "Statutory Transfer".</p> <p>One of the key conditions of the Scheme is therefore that the Statutory Transfer be approved by APRA pursuant to the Transfer Act. It requires both Bendigo and Beyond Bank to make a joint application to APRA, which as at the date of the Scheme Booklet has been submitted.</p>
<p>When and where will the Scheme Meeting be held?</p>	<p>The Scheme Meeting will be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 at 6.00pm on Monday, 29 January 2024.</p> <p>You (or your proxy, corporate representative, or attorney) may also attend the Scheme Meeting through an online platform. To attend the Scheme Meeting online:</p> <ul style="list-style-type: none"> (a) go to https://meetings.linkgroup.com/AWAScheme; and (b) register into the Virtual Meeting platform using your name, email address and phone number to access the site. Once logged in, if you wish to vote or ask questions, you will need to click the 'Get Voting Card' or 'Ask a Question' buttons at the top and bottom of the screen and enter your AWA Member Number. Once verified, you will be able to vote and/or ask a question via the online platform. <p>AWA Members and their proxies will be able to vote on the Scheme Resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting.</p> <p><i>Refer to the Notice of Scheme Meeting set out in Annexure E of this Scheme Booklet for further information.</i></p>
<p>Who is entitled to vote on the Scheme?</p>	<p>AWA Members (other than Minors) who are recorded as members on the AWA Register as at 7.00pm (AEDT) on Saturday, 27 January 2024 are entitled to vote at the Scheme Meeting.</p> <p><i>Refer to the meeting details and how to vote section on pages 9 - 11 of this Scheme Booklet for further information.</i></p>

<p>Is voting compulsory?</p>	<p>Voting is not compulsory. However, your vote is important in deciding whether the Scheme is approved. AWA Members are strongly encouraged to vote.</p> <p>AWA Members who cannot attend the Scheme Meeting may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative or a power of attorney.</p> <p><i>Refer to the meeting details and how to vote section on pages 9 - 11 of this Scheme Booklet for further information.</i></p>
<p>How do I vote?</p>	<p>Details of how to vote are set out on pages 9 - 11 onwards of this Scheme Booklet and are also included in the Notice of Scheme Meeting set out in Annexure E of this Scheme Booklet.</p> <p><i>Refer to the meeting details and how to vote section on pages 9 - 11 onwards of this Scheme Booklet for further information.</i></p>

6. Overview of the Scheme

6.1 Summary of the proposed Scheme

A member's scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is the mechanism by which AWA Members and the Court may approve the Merger.

If implemented, the Scheme will have the following effect:

- (a) all AWA Member Shares will be transferred from Scheme Participants to Beyond Bank in return for the Scheme Consideration. No brokerage fees or stamp duty will be payable by Scheme Participants;
- (b) AWA will become a wholly-owned subsidiary of Beyond Bank;
- (c) Scheme Participants (other than AWA Members who are already Beyond Bank Members) will become Members of Beyond Bank;
- (d) the Cash Consideration of \$10.00 (in lieu of the New Beyond Bank Member Share that would otherwise be issued to them and to in effect, return their original AWA subscription price to them) will be paid to a Duplicate Member, that is either not a Joint Member, or is a Joint Member but only the Primary Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date;
- (e) Beyond Bank will recognise whichever tenure (out of the AWA Member tenure and the Beyond Bank Member tenure) is the longest (subject to tenures being continuously held);
- (f) the strategic direction for the development of AWA's existing projects will be determined by the post-Scheme Beyond Bank Board.

Implementation of the Scheme is subject to the Scheme Conditions being satisfied, including the condition that the Scheme may only be implemented if AWA Members vote in favour of the Scheme at the Scheme Meeting, and in favour of the Constitutional Amendment at the General Meeting. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in section 11.2.

6.2 Scheme Consideration

Broadly, the Scheme will result in AWA Members either receiving 1 New Beyond Bank Member Share for each AWA Share transferred, or the Cash Consideration.

Specifically, the Scheme Consideration to be provided by Beyond Bank for the transfer of the Scheme Shares is:

- For each Scheme Share that **is not** held by a Joint Member (that is not also a Duplicate Member), one New Beyond Bank Member Share will be issued and taken to be fully paid up at the subscription price of \$10.00, on the same terms as all other Beyond Bank Members Shares, subject to the Beyond Tenure Adjustment;
- For each Scheme Share that **is** held jointly by a Joint Member where neither the Primary Member nor Secondary Member holds a Beyond Bank Member Share on the Scheme Record Date:
 - one New Beyond Bank Member Share will be issued to the Primary Member, and is taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - one New Beyond Bank Member Share to each other Secondary Member will be issued and taken to be fully paid up with a nil subscription price, and otherwise on

the same terms as all other Beyond Bank Members Shares, subject to the Beyond Tenure Adjustment; and

- for each Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - is not a Joint Member, the Cash Consideration will be paid and the Beyond Tenure Adjustment made to their existing membership in Beyond Bank; and
 - is a Joint Member and:
 - where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made; and
 - where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.

The Scheme Consideration ensures that each category of AWA Member will be put in an equivalent position to each other AWA Member as a result of the Scheme. Namely, each AWA Member will no longer hold any AWA Shares, and will each hold only one Beyond Bank Share, as a result of the Scheme. They will in effect give up their membership in AWA, in exchange for membership in the Combined Entity.

Cash Consideration of \$10.00 is only being offered to a Duplicate Member that is either not a Joint Member, or is a Joint Member but only the Primary Member (regardless of the holding of the Secondary Member) holds Beyond Bank Member Share at the Scheme Record Date, on the basis that those members have paid a subscription fee of \$10.00 for their AWA Share and have also paid a separate subscription fee to Beyond Bank for their Beyond Bank Share. As they will not receive a New Beyond Bank Member Share, their AWA subscription fee is being returned to them. By contrast, all other AWA Members (or the relevant Primary Member in the case of a Duplicate Member where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date) will receive a New Beyond Bank Member Share and will therefore preserve (or rollover) their right to have that subscription fee returned to them as a Beyond Bank Member (subject to the terms of Beyond Bank's Constitution, which in this respect are very similar to those of AWA's Constitution. Refer to the comparison of the Constitutions at Annexure A).

The Beyond Tenure Adjustment will also ensure that AWA Members full tenure of membership is recognised, such that they will be deemed to have become a member of Beyond Bank on the date that they first became an AWA Member (provided that the AWA membership has been continuously held between that date and the Implementation Date). If a Duplicate Member's tenure with Beyond Bank is longer (and has been continuously held), then that longer Beyond Bank tenure shall stand.

Further details of how the Scheme Consideration will be provided are set out in section 6.8.

6.3 Scheme Meeting

On 1 December 2023, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting.

The Scheme Meeting will be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 at 6.00pm on Monday, 29 January 2024.

You (or your proxy, corporate representative or attorney) may also attend the Scheme Meeting through an online platform. To attend the Scheme Meeting online:

- (a) go to <https://meetings.linkgroup.com/AWAscheme>; and
- (b) register into the Virtual Meeting platform using your name, email address and phone number to access the site. Once logged in, if you wish to vote or ask questions, you will need to click

the 'Get Voting Card' or 'Ask a Question' buttons at the top and bottom of the screen and enter your member number. Once verified, you will be able to vote and/or ask a question via the online platform.

AWA Members (other than Minors) and their proxies will be able to vote on the Scheme Resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting.

In accordance with the AWA Constitution (Appendix 2, Division 1, A2-3(3)), Minors are not entitled to vote on the Scheme. A Minor is however, still entitled to receive the Scheme Consideration which is otherwise due to them in accordance with the Scheme.

The fact that the Court has ordered that the Scheme Meeting be convened is not an endorsement of, or expression of opinion on, the Scheme by the Court and is no indication that the Court has a view as to the merits of the Scheme or as to how AWA Members should vote at the Scheme Meeting. On these matters, AWA Members must make their own decision.

6.4 General Meeting

As set out in section 11.5, certain amendments to AWA's Constitution are required to facilitate the Scheme. These are also summarised in Table 2 at Annexure A.

The General Meeting will be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 to commence 10 minutes after the closure of the Scheme Meeting, with the same proxy and voting arrangements applicable to the Scheme Meeting to apply to the General Meeting.

You (or your proxy, corporate representative or attorney) may also attend the General Meeting through an online platform. To attend the General Meeting online:

- (a) go to <https://meetings.linkgroup.com/AWAgeneral>; and
- (b) register into the Virtual Meeting platform using your name, email address and phone number to access the site. Once logged in, if you wish to vote or ask questions, you will need to click the 'Get Voting Card' or 'Ask a Question' buttons at the top and bottom of the screen and enter your member number. Once verified, you will be able to vote and/or ask a question via the online platform.

If you vote in favour of the Scheme at the Scheme Meeting, it is important that you also vote in favour of the Constitutional Amendment at the General Meeting. Without those amendments, your shares will not be transferrable to Beyond Bank and the Scheme will fail.

As noted above, Minors do not have a right to vote, and are therefore also not eligible to vote at the Scheme Meeting or at the General Meeting.

It is also important to note that those Constitutional Amendment will not take effect until all other conditions of the Scheme have been met, meaning that they will only apply to existing AWA Members for a brief moment in time to facilitate the transfer of Scheme Shares to Beyond Bank. After that time, only Beyond Bank will be affected by the Constitutional Amendment.

6.5 Unanimous recommendation of the AWA Directors on Scheme

The AWA Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Scheme is in the best interests of AWA Members, AWA Members vote in favour of the Scheme at the Scheme Meeting.

The AWA Directors believe that the reasons for AWA Members to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Each AWA Director who holds an AWA Member Share or on whose behalf AWA Member Shares are held at the time of the Scheme Meeting intends, in the absence of a Superior Proposal, to vote in favour of the Scheme (subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members).

In making their recommendation and determining how to vote on the Scheme, the AWA Directors have considered:

- (a) the advantages and disadvantages of the Scheme, as summarised in section 2 and section 3, respectively;
- (b) the implications of the Scheme not being approved, as summarised in section 4;
- (c) the opinion of the Independent Expert that the Scheme is in the best interests of AWA Members (refer to section 6.6); and
- (d) the alternative arrangements to the Scheme that might have otherwise been available to AWA.

6.6 Independent Expert's conclusion

AWA commissioned the Independent Expert, Lonergan Edwards & Associates Limited, to prepare a report to opine on whether the Scheme is in the best interests of AWA Members.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is reasonable and is in the best interests of AWA Members. In reaching this conclusion, the Independent Expert has concluded that the Scheme is 'reasonable', but has formed the view that it is not possible to assess the market value of a membership interest in either AWA or Beyond and that as a consequence, it is not relevant, meaningful or possible to form a view on whether the Scheme is 'fair'.

The Independent Expert's Report is set out in Annexure B to this Scheme Booklet. The AWA Directors recommend that AWA Members read the Independent Expert's Report in full.

6.7 Tax consequences of the Scheme and holding New Beyond Bank Member Shares for Australian and foreign resident Scheme Participants

A general guide to the Australian tax consequences for the Scheme for certain Scheme Participants who are Australian or foreign tax residents is set out in section 10. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any AWA Member. Accordingly, AWA Members should seek their own independent professional tax advice.

6.8 Issue or payment of Scheme Consideration

(a) Scheme Participants that are not Joint Members and not Duplicate Members

For all Scheme Participants that are not Joint Members (and not also Duplicate Members), Beyond Bank has agreed (pursuant to the Deed Poll) to:

- issue the New Beyond Bank Member Shares and enter the names of all transferring AWA Shareholders into the Beyond Bank Register before 12.00pm (or such later time as AWA and Beyond Bank may agree in writing) on the Implementation Date. It is expected that a Welcome Letter and Financial Services Guide will be issued by Beyond by 8 March 2024; and
- ensure that those New Beyond Bank Member Shares have the rights set out in the Beyond Bank Constitution, rank equally in all responses among themselves and with the main class of all other Beyond Bank Member Shares, and are recognised as fully paid, validly issued and free of any encumbrance.

(b) Scheme Participants that are Joint Members and neither the Primary Member nor Secondary Member holds a Beyond Bank

For all Scheme Participants that are Joint Members, where neither the Primary Member nor Secondary Member holds a Beyond Bank Member Share on the Scheme Record Date Beyond Bank has agreed (pursuant to the Deed Poll) to:

- issue the New Beyond Bank Member Shares (to the Primary Member deemed to be fully paid up to \$10.00, and to the Secondary Member deemed to be fully paid up to \$Nil) and enter the names of all transferring AWA Shareholders into the Beyond Bank Register before 12.00pm

(or such later time as AWA and Beyond Bank may agree in writing) on the Implementation Date. It is expected that a Welcome Letter and Financial Services Guide will be issued by Beyond by 8 March 2024; and

- ensure that those New Beyond Bank Member Shares have the rights set out in the Beyond Bank Constitution, rank equally in all responses among themselves and with the main class of all other Beyond Bank Member Shares, and are recognised as fully paid, validly issued and free of any encumbrance.

(c) Duplicate Members that are not Joint Members

For all Scheme Participants that are Duplicate Members, but are not Joint Members, Beyond Bank has agreed (pursuant to the Deed Poll) to at least 2 Business Days prior to the Implementation Date, pay the aggregate amount of all Cash Consideration due into a trust account nominated by AWA (**Trust Account**), to enable AWA to pay the Cash Consideration directly to these Duplicate Members.

The amount of any interest (less any bank fees and other charges) on the amount deposited in the Trust Account will be to Beyond Bank's account.

Unless otherwise directed by a relevant AWA Member before the Scheme Record Date, the Cash Consideration must be paid by direct credit to the AWA Member's account or by sending a cheque drawn on an Australian bank in Australian currency on the Implementation Date to the Duplicate Member by pre-paid regular post to their address shown in the AWA Register as at 7.00pm on the Scheme Record Date (or in the case of joint holders, in accordance with section 6.8(d) below.

Any Cash Consideration payable to a Joint Member is payable to the Primary Member as at 7.00pm on the Scheme Record Date.

(d) Duplicate Members that are Joint Members

For all Scheme Participants that are Duplicate Members and also Joint Members:

- (i) Where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, Beyond Bank has agreed (pursuant to the Deed Poll) to at least 2 Business Days prior to the Implementation Date, pay the aggregate amount of all Cash Consideration due into a trust account nominated by AWA (Trust Account), to enable AWA to pay the Cash Consideration directly to these Duplicate Members.

The amount of any interest (less any bank fees and other charges) on the amount deposited in the Trust Account will be to Beyond Bank's account.

Unless otherwise directed by a relevant AWA Member before the Scheme Record Date, the Cash Consideration must be paid by direct credit to the AWA Member's account or by sending a cheque drawn on an Australian bank in Australian currency on the Implementation Date to the Duplicate Member by pre-paid regular post to their address shown in the AWA Register as at 7.00pm on the Scheme Record Date (or in the case of joint holders, in accordance with section 6.8(d) below.

Any Cash Consideration payable to a Joint Member is payable to and must be forwarded to the holder whose name appears first in the AWA Register as at 7.00pm on the Scheme Record Date.

- (ii) Where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, Beyond Bank has agreed (pursuant to the Deed Poll) to:
 - (A) issue to the Primary Member of that Joint Member one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment and enter the names of all transferring AWA Shareholders into the Beyond Bank Register before 12.00pm (or such later time as AWA and Beyond Bank may agree in

writing) on the Implementation Date. It is expected that a Welcome Letter and Financial Services Guide will be issued by Beyond by 8 March 2024; and

- (B) ensure that those New Beyond Bank Member Shares have the rights set out in the Beyond Bank Constitution, rank equally in all responses among themselves and with the main class of all other Beyond Bank Member Shares, and are recognised as fully paid, validly issued and free of any encumbrance.

(c) **General**

Any document required to be sent under this Scheme will be forwarded, at the sole discretion of AWA, either to the holder whose name first appears in the AWA Register as at the Scheme Record Date or to the joint holders.

Further details on how unknown addresses, non-holding of an AWA Member Account (to receive the funds) or cancelled cheques, or surpluses in the Trust Account will be dealt with are set out in clauses 6.3(e) to (f) of the Scheme at Annexure C.

AWA Members are encouraged to read the Scheme (at Annexure C) and the Deed Poll (at Annexure D) pursuant to which Beyond Bank covenants to comply with the Scheme in full.

(d) **Evidence of the issue of New Beyond Bank Member Shares**

As outlined in section 6.2 of this Scheme Booklet, Beyond Bank is required to issue New Beyond Member Shares to Scheme Participants (other than Duplicate Members) to satisfy the Scheme Participation.

As Beyond Bank is an entity covered by clause 6(1) of the ASIC Corporations (Credit Union Member Shares) Instrument 2017/616 and by reg. 12.8.08 of the Corporations Regulations, it is not required to issue share certificates to its members. The Beyond Bank Constitution also provides (at rule 5.5) that unless it is required by law to do so, Beyond Bank will not issue share certificates in respect of Beyond Bank Member Shares. To date, Beyond Bank has not issued share certificates to any of its members.

As such, Scheme Participants eligible to receive a New Beyond Member Share will instead receive a Welcome Letter from Beyond Bank (which will detail the number of New Beyond Member Shares held by the relevant Scheme Participant and the amount paid on that share, and the deposit products transferred to Beyond Bank in respect of that Scheme Participant and a Financial Services Guide (relevant to the financial products issued to that member). AWA also does not currently issue share certificates to AWA Members unless specifically required by an AWA Member (refer to rule 8.1 of the AWA Constitution). To date, AWA has not been requested to, and has not issued, any share certificates.

(e) **Withholding and unclaimed monies**

The circumstances in which AWA may cancel a cheque and must deal with any unclaimed money is set out in clause 6.3 of the Scheme at Annexure C.

If the law requires any amount to be withheld from a payment to a Scheme Participant (including under section 14-200 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* (amounts required to be paid for CGT non-resident withholding)), AWA is bound to comply with clause 6.6 of the Scheme at Annexure C.

AWA Members are encouraged to read the Scheme (at Annexure C) and the Deed Poll (at Annexure D) pursuant to which Beyond Bank covenants to comply with the Scheme in full.

6.9 Warranties given by Scheme Participants

If the Scheme is implemented, each Scheme Participant is deemed to have warranted to AWA and Beyond Bank on the Implementation Date, and appointed and authorised AWA as its attorney and agent to warrant to Beyond Bank, on the Implementation Date, that:

- their AWA Member Share (including any rights and entitlements attaching to those shares) transferred to Beyond Bank under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their AWA Member Share to Beyond Bank together with any rights and entitlements attaching to that share; and
- they have no existing right to be issued any AWA Member Shares. AWA undertakes that it will provide such warranty to Beyond Bank as agent and attorney of each Scheme Participant.

6.10 If the Scheme does not proceed

If the Scheme is not approved, the Scheme will not proceed, and AWA will continue to operate as a standalone entity. If AWA wishes to continue to provide banking products and services to its members, it will need to collaborate with Bendigo in a different way, such as seeking to become part of the Community Banking (Franchise) Model. It is uncertain whether Bendigo will agree to this in the context of the Scheme not being implemented.

AWA Members will continue to hold AWA Member Shares and will not receive the Scheme Consideration. AWA Members are referred to the discussion in sections 1.4 to 1.6 of this Scheme Booklet as to the other options open to the AWA Directors for consideration. However, it is important to recognise that by choosing to progress the Scheme, AWA's options are now limited. In that regard, refer to section 4.3 of this Scheme Booklet.

7. Profile of AWA

This section of the Scheme Booklet contains information in relation to AWA as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure B to this Scheme Booklet.

7.1 History of AWA

AWA Mutual Limited was formed in Geelong in 1969 as the Point Henry Credit Co-operative based at Alcoa. In 2002, the bank changed its name to AWA Credit Union and in 2015 restructured to become an Alliance Bank (partnering with Bendigo and Adelaide Bank Limited and trading as AWA Alliance Bank).

AWA is a party to an agreement with Bendigo and Adelaide Bank (Bendigo) in operating the Alliance Bank network. The Alliance Agreement is scheduled to end in February 2025. AWA operates as a "Social Enterprise Bank" where profits are invested to benefit members and their communities.

Refer to section 1.1 of this Scheme Booklet for a more fulsome account of AWA's history.

7.2 Overview of AWA's operations

(a) Business and strategy

AWA is a mutual financial services organisation, providing a range of banking products and services to its members. As a mutual AWA is owned by its members and works for its members. AWA's mission is to empower its members and communities to improve their financial wellbeing.

AWA's focus is on providing competitive and contemporary financial services that cover all banking needs whilst ensuring quality, personalised service.

Long-term sustainability and the social wellbeing of communities that AWA serves is a part of its constitutional objectives and is addressed via its range of strategic partnerships and philanthropic donations.

(b) Corporate and capital structure

AWA does not have any subsidiaries.

As at 31 October 2023, AWA has a total of 3,921 Members and has only a total of 3,921 AWA Shares on issue (having the rights and terms described at section 7.3). AWA has only one class of shares and does not have any options, performance rights or other securities on issue. All AWA Member Shares are fully paid up, to the amount of \$10.00 (in accordance with the requirements of the AWA Constitution).

In the 6 month period immediately prior to the Last Practicable Date, AWA has issued a total of 68 AWA Shares each at the subscription price of \$10.00 per share.

As a mutual, each AWA Member may only hold one share. As such, AWA does not have any substantial shareholders.

(c) Overview of products and services

AWA offers the following products and services:

Product	Description
Everyday Account	An everyday transaction account with a wide range of access options.
Pensioner Account	A transaction account available to those over 55 who hold a pensioner concession card with a wide range of access options and higher rates of return than an Everyday Account.

Concession Card Account	A transaction account available to those who hold an eligible Commonwealth Government Concession. It has a wide range of access options.
Youth Account	A transaction account available to those under 21 with a higher rate of return than an Everyday Account and a wide range of access options.
Bill Paying Account	A savings account to assist with budgeting over a 12-month period that requires agreed regular deposits and has restricted access. Overdrafts can be applied if necessary.
Christmas Club Account	A savings account to help plan and save for Christmas with a higher rate of return than an Everyday Account and limited access.
Online Saver Account	A savings account with limited access options and a higher interest rate to help you save.
Business Everyday Account	An everyday transaction account with a wide range of access options for business members.
Business Online Saver Account	A savings account for business members with limited access options and higher interest rate to help you save.
Fixed Term Deposit	A deposit account with a nominated fixed term and fixed interest rate. Restricted access for the nominated term.
Home Loan	A term loan with a residential property as security, available for owner occupation or investment purposes. Terms up to 30 years with interest only options. Fixed and variable interest rate options.
Personal Loan	A term loan that can be unsecured or secured by a goods mortgage. Terms up to 7 years with a variable interest rate.
Credit Card	A Visa credit card facility with a set limit that requires monthly repayments. Available to both consumer and business member.
Overdraft	A set overdraft limit applied to an Everyday Account. Interest charges are applicable whilst overdraft is in use. Can be unsecured or secured by residential property.
Business Loan	A term loan for business members. Loans can be unsecured or secured by residential property, commercial property or by goods mortgage. Interest Only and Fixed Interest Rate options are available.
Business Overdraft	A set overdraft limit applied to a Business Everyday Account. Interest charges are applicable while overdraft is in use. Can be unsecured or secured by residential or commercial property.

Services	Description
Internet Banking	The ability for members to view and transact on applicable products online, including access to statements, Pay ID and card activation.
Mobile Banking	The ability for members to view and transact on applicable products via the AWA Alliance Bank App on a mobile device including Pay ID and PIN change for cards.
Telephone Banking	The ability to listen to account information and minor transaction capability on applicable products.
Digital Pays	A payment service which enables members to link cards to digital devices so they don't have to carry the physical card on them. It includes Apple Pay, Google Pay and Samsung Pay.

Foreign Exchange	Various foreign exchange services via a third-party service including, sending/receiving funds internationally, foreign cash and travel cards.
Financial Advice	Financial Advice is available via a referral service with Apt Wealth.

(d) **Branches and branch locations**

AWA currently has three branches all located within Victoria and Western Australia at the following locations:

- Geelong (which will remain after the Scheme);
- Portland (which will remain after the Scheme); and
- Mandurah (which will be consolidated with Beyond Bank's Mandurah branch which is less than 1km away).

7.3 Rights attaching to AWA Member Shares

The rights attaching AWA Member Shares are set out in the AWA Constitution, primarily in Appendix 2. By way of summary, each AWA Member Share:

- (a) was issued for a subscription price of \$10.00;
- (b) is not transferrable (except between an outgoing trustee to an incoming trustee);
- (c) confers the right to participate and vote at members' meetings and in a ballot to elect directors, with each share having one vote whether on a show of hands or a poll, except in respect a member who is a minor who has no vote;
- (d) confers the right to participate in dividends equally with every other AWA Member Share, subject to approval of the dividend in a general meeting (which must not exceed 50% of AWA's after tax profit in the relevant financial year);
- (e) confers the right to participate in the distribution of profits or assets on a winding up, such that each AWA Member is entitled to:
 - (i) repayment of the subscription price paid by them for their AWA Member Share; and
 - (ii) surplus assets (if any) equally with every other AWA Member Share.
- (f) confers the right to redeem (out of profits or the proceeds of new share issues only) requiring payment of an amount equal to the AWA Subscription Price upon either:
 - (i) notice by the AWA Member terminating their membership; or
 - (ii) termination of membership by the AWA Board in certain limited circumstances (such as conduct of the AWA Member detrimental to AWA).

As set out elsewhere in this Scheme Booklet, the Constitutional Amendment are required to facilitate the Scheme, in particular to enable the AWA Member Shares to be transferred to Beyond Bank. Refer

to Annexure A of the Scheme Booklet which sets out the Constitutional Amendment (at Table 2) and a comparison of the AWA Constitution and the Beyond Bank Constitution (at Table 1).

7.4 Directors of AWA

The directors of AWA as at the date of this Scheme Booklet are as follows:

Name and position	Biography	AWA Membership Held?
Peter Richardson - Chairman	BCom, CPA, Dip Tm, Grad Dip Tax, MAICD, Self-employed Consultant. Member of the Board of Directors since 1996, Deputy Chair – AWA 2002-2017. Chair – AWA 2017 - current. Member - People Committee.	Yes
Neville Pearce - Director and Vice Chairman	BEng (Civil & Structural), MBA, GAICD, Fellow Engineers of Aust., CPEng, NER, RPEng, MASI, Fellow Institute Managers & Leaders (FIML) Executive Manager of Service Delivery – East Gippsland Water Member of the Board of Directors since 2013. Deputy Chair – AWA 2020 – current. Chair – Board, Audit & Risk Committee.	Yes
Richard Lyle - Director	B Com, CPA, MAICD, Finance Manager - Anam Cara House. Member of the Board of Directors since 2000 (resigned 2001, re-elected 2005). Deputy Chair – AWA 2017-2020. Chair – Partnerships Committee.	Yes
Brian Virtue - Director	Retired HR Consultant Member of the Board of Directors since 1971 (resigned 1973, re-elected 1982). Chair – AWA 1983-2017. Member – Board, Audit & Risk Committee.	Yes
Adrian Hart - Director	MBA, MAICD, Member – Project Management Institute, CEO - Anam Cara House. Member of the Board of Directors since 2017. Member – Partnerships Committee.	Yes
Elaine Carbines - Director	BA, Dip Ed, GAICD, FIPAA, HonPhD (Deakin), Deputy Chair – Barwon Water, Deputy Chair – G-Force, Deputy Chair – Ports Victoria, Director – IMPACT Institute Advisory Board, Director – Northern Futures. Member of the Board of Directors since 2019. Chair – People Committee	Yes
Sean O'Neill - Director	B Com, CPA, MAICD, Tax Accountant – Kelly & Associates. Member of the Board of Directors since 2016. Member – Partnerships Committee.	Yes
Elizabeth (Libby) White	B Com, CPA, GAICD, Director (Chair) – United Way West Australia. Member of the Board of Directors since 2020. Member – Board Audit & Risk Committee.	Yes

7.5 Interests of AWA Directors in AWA and Beyond Bank

As at the date of registration of this Scheme Booklet with ASIC:

- (a) no AWA Director is also a director or other related party of Beyond Bank;
- (b) other than as disclosed in Section 13.6 (in relation to transition to roles in Beyond Bank), no AWA Director has any interest in any contract entered into by Beyond Bank;
- (c) no AWA Director holds (directly or indirectly) any Beyond Bank Member Shares or any other share or interest in Beyond Bank and
- (d) no AWA Director holds any AWA Member Shares or any other share or interests in AWA other than as set out in the table below;

Director	AWA Member Shares ¹
Peter Richardson	1
Neville Pearce	1
Richard Lyle	1
Brian Virtue	1
Adrian Hart	1
Elaine Carbines	1
Sean O'Neill	1
Elizabeth (Libby) White	1

Notes:

In accordance with the AWA Constitution, each AWA Member may not hold more than 1 AWA Member Share. Accordingly, there are no substantial shareholders and provision of information in relation to holding percentages is not useful.

7.6 Financial information

Copies of AWA's audited financial statement for the financial year ended 30 June 2023 are available on the AWA website (www.awaalliancebank.com.au/about-us/publications). Copies will also be provided by AWA, free of charge, to any AWA Member who requests it before the Scheme Meeting.

7.7 Material changes to the financial position of AWA since 30 June 2023

To the knowledge of the AWA Directors, the financial position of AWA has not materially changed since 30 June 2023, as reported in AWA's financial report for that period, other than in accordance with generally known market conditions.

7.8 Forecast Financial Information

AWA has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. AWA has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

7.9 No trading, sale or price history

In the 6 months immediately before the date of which this Scheme Booklet is lodged, no AWA Member Shares were sold.

As AWA is a mutual entity, the AWA Member Shares are not transferrable. Accordingly, no share price history for the AWA Member Shares can be provided. All AWA Member Shares had a subscription price of \$10.00. If any AWA Member Shares are redeemed (in accordance with their terms) the subscription price of \$10.00 is returned to them.

7.10 AWA announcements and reports

AWA is not a disclosing entity. However, AWA posts news and announcements on its website www.awaalliancebank.com/future_. Further announcements concerning developments at AWA may be made and placed on the website after the date of this Scheme Booklet.

In addition, AWA is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to AWA may be obtained from or inspected at an ASIC office.

AWA will provide an electronic copy of each of the following documents, free of charge, to anyone who asks for them before the Scheme is approved by the Court. The following document can also be obtained from the AWA website:

- the Annual Financial Report of AWA for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC by AWA before lodgement of a copy of this Scheme Booklet with ASIC for registration).

7.11 AWA Directors intentions

Following implementation of the Scheme, AWA will become a wholly-owned Subsidiary of Beyond Bank. The Beyond Bank Board will therefore become the governing board of the Combined Entity. The current AWA Board will resign and be replaced with directors nominated by Beyond Bank (as is appropriate for a wholly-owned subsidiary).

Section 2.1 details the commitments that Beyond Bank have made in relation to retaining the staff of AWA, and retaining the products and services currently offered to AWA Members (at current pricing and terms).

Given AWA will become a wholly-owned subsidiary of Beyond Bank, the AWA Directors refer you to section 8.14 which sets out the intentions of Beyond Bank in relation to the Combined Group following implementation of the Scheme.

7.12 Risk factors

Risk factors relating to AWA and its business are discussed in section 9.

7.13 Material events since 30 June 2023

Within the knowledge of the AWA Directors and other than as disclosed in this Scheme Booklet including section 7.7, there has not been any other material change in the financial position of AWA since 30 June 2023.

7.14 Effect of a change of control on material contracts

Other than the Alliance Agreement, AWA has no other material contracts.

If the Scheme is implemented prior to the scheduled end of the Alliance Agreement (in February 2025), the Alliance Agreement will end on the Implementation Date.

Under the alliance banking arrangement with Bendigo, key contracts in relation to the banking business of AWA are maintained by Bendigo. These contracts will pass directly from Bendigo to Beyond Bank as part of the Statutory Transfer process.

8. Profile of Beyond Bank and the Combined Group

8.1 Responsibility for Information in relation to Beyond Bank

The information contained in this Scheme Booklet in relation to Beyond Bank (other than the Independent Expert Report) has been prepared by Beyond Bank and is the responsibility of Beyond Bank. AWA does not assume any responsibility for the accuracy or completeness of that information.

Beyond Bank has provided the information concerning it, its financial position and its intentions, including all information contained in this Section 8.

None of AWA, its associates or its advisers assumes any responsibility for the accuracy or completeness of the information provided by Beyond Bank.

8.2 Overview of Beyond Bank

This section of the Scheme Booklet contains information in relation to Beyond Bank as at the date of the Scheme Booklet.

(a) Beyond Bank's history and ownership

Beyond Bank is one of the largest 100% customer-owned banks in Australia, creating value for our customers and communities for over 60 years. It is B Corp certified and has over 45 branches across South Australia, Western Australia, New South Wales, the Australian Capital Territory and Victoria. As at 30 June 2023, Beyond Bank serviced over 294,000 customer-members and employed more than 740 staff across its national footprint.

Beyond Bank, which was originally known as Community CPS Australia Limited (Community CPS), was formed in 2006 as a result of the merger of CPS Credit Union SA (established 1958) and CPS Credit Union Co-operative ACT (established 1960). Beyond Bank today is made up from over 40 mergers with credit unions across Australia and grown to become one of Australia's largest customer owned banks.

In 2013, Community CPS successfully applied to convert to a mutual bank and on 1 August 2013 commenced trading as a customer owned bank under the business name "Beyond Bank Australia". In November 2018, Community CPS changed its company name to "Beyond Bank Australia Limited". As a mutual organisation, Beyond Bank aims to create and return value to its customer-members as well as the communities in which their customers live and work.

(b) Overview of Beyond Bank's operations

Beyond Bank provides members with access to a multi-channel distribution network across branches, call centres, mobile banking, internet banking and mobile bankers. Beyond Bank also has well developed business banking capabilities.

It operates a business model which encompasses banking, community activities, and has more than 290,000 members approximately 750 employees, a branch network throughout South Australia, the Australian Capital Territory, Western Australia, New South Wales, and Victoria and national access through Australia Post's Bank@Post service. Beyond Banks award-winning Internet and Mobile Banking (including Mobile wallets) provide continuity of member experience, addressing members' desire to control the time, place, channel and information required to perform their banking activities.

Beyond Bank has a wide range of products and services already available, and a targeted, strategic and purposeful approach to new product development, ensuring its products continue to be relevant and meet the needs and wants of its member segments and return value for money.

Beyond Bank has received the following recognition:

- Canstar's Customer-Owned Bank of the Year – Best Mobile and Online Banking Award – the latter, for the ninth year running.
- Canstar's Customer-Owned Bank of the Year, Digital Banking 2015-2023
- Canstar's Customer-Owned Bank of the Year, Most Satisfied Customers 2023
- Forbes World's Best Banks for 2023
- Roy Morgan Customer Satisfaction Awards – Bank of the Year 2022

(c) **Business and strategy**

Beyond Bank has built its business on the core values of mutuality, integrity, putting the member first, strengthening local communities and sustainability.

Beyond Bank has a mutual approach, ensuring benefits continue to go back to members and the community – not external shareholders. The strategy of creating and returning value to members by building total financial solutions, while providing greater support to local communities, is an objective that Beyond Bank continues to pursue. The bank runs on a values-driven operating model based on providing personal financial solutions underpinned by a unique customer experience and service proposition. The strategies aim to assist members in managing their evolving financial needs through the provision of innovative products and services while also supporting the communities in which they live and work.

(d) **Overview of products and services**

Beyond Bank offers the following products and services:

Product	Description
Purple Transactor	An everyday transaction account with no fees for transactions in Australia with access to Apple Pay, Samsung Pay and Google Pay.
Retirement Account	A transaction account available to those are an age pensioner, or receive the Mature Age Allowance with competitive rates, no monthly fees and easy access.
Junior Saver (no longer opened as a new product)	Specifically designed for children up to and including 12 years of age.
B U Savings Account	Account designed for young people between 13 – 18 with no monthly account keeping fees, a Visa Debit Card and easy access.
Christmas Club (no longer opened as a new product)	An account to help encourage people to save for Christmas spending. Fee free access to funds during the Christmas period (1 Nov – 31 Jan).
monEsaver Internet Savings Account	A flexible savings account with online access through internet and mobile banking
Community Account	A specialised operating account developed to support community organisations which has access to fee-free transactions and competitive interest rates.
Community Reward Account	An account to support your favourite community group or charity. Beyond Bank donate a percentage of your annual average balance to your nominated group at no cost to you.

Business Transaction Account	A simple flexible everyday business banking account. It offers tiered interest rates and no monthly account fee.
Bonus Purple Saver Account	Savings account with additional bonus interest for saving more.
Fixed Term Deposit	Term deposit funds are invested for a specific term at a fixed interest rate. The minimum deposit amount is \$2,000 and term lengths range from 90 days to five years. The interest rate you earn depends on the length of the fixed term you choose.
Home Loan – Purple Basic Variable	Borrow up to 90% of the value of the security property with a competitive variable interest rate and loan terms up to 30 years.
Home Loan – Total Home Loan Package	Available 1,2,3,4,5 -year fixed rates or variable interest rates. Four-month pre-approval. Borrow up to 90% of the value of the security property. Loan term up to 30 years. Split your loan. Combine the stability of a fixed rate with the flexibility of a variable rate. Flexible principal and interest repayment options. Make unlimited additional repayments to your loan when on a variable interest rate or make up to \$25,000 p.a. when on a fixed rate. Redraw option so you can withdraw any extra repayments you have made. Annual fee waived on the Low-Rate Credit Card.
Personal Loan – Low-Rate Personal Loan	Personal loan to borrow money for any purpose and use your existing car as security. Pre-approval available. No penalty for early repayment. Life Member discounts. Repay your personal loan in up to seven years. Access additional repayments with free redraw via Internet and Mobile Banking. Access your money 24/7 through Internet, Telephone, or Mobile Banking services.
Personal Loan – Flexi Personal Loan	A Personal loan starting from \$5,000. Preapproval available. Repay your personal loan in up to seven years. Monthly, fortnightly, or weekly repayments or make extra payments on top of your regular payments. Redraw facility to withdraw the extra repayments you've made. Access your money 24/7 through Internet, Telephone, or Mobile Banking services.
Credit Card – Low-Rate Visa	Low-rate credit card featuring contactless purchases under \$200. Credit limits starting from \$1,000. Visa Zero Liability Policy. Visa protects your card information 24/7. Visa Secure. Visa checks it's you making the purchase. Up to 4 additional cardholders, free of charge. Different interest rate/s are used depending on the transaction type.
Line of Credit	Line of Credit available from as little as \$2,000 for any worthwhile purpose. Variable interest rate. No monthly fee.
Business Loan	A simple, low-cost business loan to finance small business needs. With a fixed interest rate, a Business Loan gives you security of knowing your repayments won't change but with the added flexibility of making extra repayments and the ability to pay the loan off without penalty.
Business Investment Loan	The Business Investment Loan gives you the freedom to grow your business and take advantage of investment opportunities when they come up. It offers a competitive, flexible interest rate, fast approval process and flexible access to your funds.
Business Overdraft	A revolving line of credit offering flexibility, value, and control. Use the overdraft to combine your business loan and working capital requirements.

Services	Description
Mobile Banking	A feature-rich Mobile App provides the best online banking protection and user experience. The app extends the capability of Beyond Bank's internet banking, allowing you to manage your money on the go at any time. Specify the controls and preferences for your cards. The intuitive and feature-packed App has won us Canstar's digital banking awards every year since 2015. Digital Card and PayTo available.
Telephone Banking	Access telephone banking services, anytime, anywhere. Chat to one of Beyond Bank's consultants or access the bank through an automated Telephone Banking service. Check your balances and transactions, transfer money between your accounts and to other people, pay bills using BPAY®. With a simple and intuitive user interface, payments can be made in a matter of seconds.
Mobile Wallet (Digital Pays)	Mobile Wallets make purchases on the go fast and easy, without carrying a physical card. Use your phone to pay. Available for Apple Pay, Google Pay and Samsung Pay.
EFTPOS Solutions	Whether you're on the go or in-store, Beyond Bank has partnered with Tyro who has a choice of EFTPOS machines to accept payments anywhere, anytime.
Payment Solutions	Beyond Bank is proud to partner with Payrix, a payment solutions provider that enables businesses to accept recurring and one-off payments from bank accounts, credit and debit cards either online or through a mobile app.
Salary Packaging	Beyond Bank partners with salary packaging providers and community organisations to offer Salary Packaging cards for meal entertainment and everyday expenses to benefit individual employees and organisations.
Foreign Exchange	Multiple foreign exchange services via a third-party service including Foreign Cash, Card Access Overseas, International Transfers, sending and receiving money from overseas and travel insurance.
Financial Advice	Financial Advice and services available via a referral service with Bridges Financial Services.
Insurance Services	A full range of insurance policies, including travel insurance, car insurance, home and contents insurance, boat, caravan and trailer insurance, landlord insurance and more. Our policies are underwritten by our insurance partner, Allianz Australia – a member of the Allianz Group, one of the largest insurance providers in the world.

(e) **Branches and branch locations**

As at the date of this document, Beyond Bank has a total of 48 branches, split across the following States and Territories:

State / Territory	Branch location
New South Wales	<ul style="list-style-type: none"> • Albury-Service Centre • Batemans Bay Branch • Chatswood Branch • Cessnock Branch • Coolamon Branch

	<ul style="list-style-type: none"> • Griffith Branch • Ganmain Branch • Glendale Branch • Green Hills Branch • Gunnedah Branch • Leeton Branch • Parramatta Branch • Queanbeyan Branch • Singleton Branch • Sydney Olympic Park - Cashless Advice Hub • Wagga Wagga Branch • Waratah Branch
South Australia	<ul style="list-style-type: none"> • Clare Branch • Gawler Branch • Marion Branch • Mount Barker Branch • Northpark Branch • Pelican Plaza Branch • Port Augusta Branch • Port Lincoln Branch • Salisbury Branch • Seaford Branch • Victor Harbor Branch • Waymouth Street Branch • Hendon Branch • Whyalla Westland Branch
Western Australia	<ul style="list-style-type: none"> • Cannington Branch • Cockburn Branch • Joondalup Branch • Mandurah Branch • Morley Branch • Rockingham Branch • West Leederville Branch
Victoria	<ul style="list-style-type: none"> • Melbourne - Cashless Advice Hub • Sale Branch • South Melbourne Branch • Warrnambool Branch
Australian Capital Territory	<ul style="list-style-type: none"> • Canberra City (Civic) Branch • Belconnen Mall Branch • Gungahlin Branch • Southlands Branch • Tuggeranong Branch • Woden Branch

8.3 Board and senior management

(a) Board of Directors

Name and position	Biography
Sandra (Sam) Anderson - Chair	<p><i>LLB, CPA, FFSI, FAICD</i></p> <p>Sandra (Sam) was appointed to the Beyond Bank Board in November 2013 and appointed Chair in 2018. She has more than 19 years' experience in the finance sector and 10 years' experience as an executive in the technology and health services industries. Sam views financial services as a fundamental driver for prosperity,</p>

Name and position	Biography
	<p>equity and inclusiveness in society. Sam is based in Melbourne, Victoria.</p> <p>She also holds the positions of Director Eastwoods Group Ltd, Director Eastwoods Wealth Management Pty Ltd, Chair Nomination Committee, Member Board Governance and Remuneration Committee.</p>
<p>Joanne (Jodie) Baker - Director</p>	<p><i>BCom(Acc), GradDipAppFin, TFASFA, GAICD</i></p> <p>Joanne (Jodie) was appointed to the Beyond Bank Board in November 2017. She has over 30 years' experience in banking and funds management, specialising in risk. Jodie's prior executive roles include Managing Partner at governance and risk advisory firm, Blackhall & Pearl, CEO of Morgij Analytics, and senior executive risk roles at ANZ, Société Générale and BT Funds Management. Jodie is based in Sydney, New South Wales.</p> <p>She also holds the position of Chair Board Risk Committee.</p>
<p>Daryl Johnson - Director</p>	<p>Daryl was appointed to the Beyond Bank Board in February 2019. He has over 40 years' banking and finance experience in Australia, Asia and New Zealand. Daryl's executive roles included CEO New Zealand for Rabobank and CEO Asia, Executive General Manager NAB Business and General Manager Corporate Banking for National Australia Bank. Daryl is based in Melbourne, Victoria.</p> <p>He is also a member of the Board Governance and Remuneration Committee and the Board Risk Committee.</p>
<p>Trent Bartlett - Director</p>	<p><i>GradDipBus, GradDipCom, FAICD, IDP-C</i></p> <p>Trent was appointed to the Beyond Bank Board in September 2016. He has over 20 years' of leadership and experience in listed public companies, large private companies, not-for-profits and 'for benefit' focused enterprises operating with diverse business models and scale across many industry sectors. Trent has a speciality in member owned/member governed businesses and is a Fellow and Faculty Member of the Australian Institute of Company Directors. Trent is based in Perth, Western Australia.</p> <p>He is also the Chair of the Board Governance and Remuneration Committee.</p>
<p>Steven (Steve) Coles - Director</p>	<p><i>GAICD</i></p> <p>Steven (Steve) was appointed to the Beyond Bank Board in September 2022. He has nearly 30 years' experience of operating at C-level across global financial services businesses. Steve's prior executive roles include the Global CTO for Allianz. He has a passion for improving and protecting member services through technology and effectively managing cyber risk. Steve is a Graduate Member of the Australian Institute of Company Directors. Steve is based in Sydney, New South Wales.</p> <p>He is also a member of the Board Audit Committee and the Board Risk Committee.</p>
<p>John Evans - Director</p>	<p><i>Bcompt, ACA, MAICD</i></p> <p>John was appointed to the Beyond Bank Board on 1 October 2022. He was a former audit and assurance partner with global accounting firm KPMG and has over 40 years of Australian and international experience in business, finance, assurance and risk management. John specialised in financial services and has</p>

Name and position	Biography
	<p>worked extensively with boards and mutual organisations in the financial services sector. John is based in Adelaide, South Australia.</p> <p>He is also a member of the Board Audit Committee</p>

(b) **Corporate governance**

The Beyond Bank Board is responsible for the corporate governance of Beyond Bank.

Details of Beyond Bank's key policies and principles and the charters for the Beyond Bank Board and each of its committees are available on Beyond Bank's website (www.BeyondBankbank.com.au/about-us/corporate-governance.html)

The main policies and principles adopted by Beyond Bank are summarised below.

(i) **Selection and Appointment of New Beyond Bank Directors**

Beyond Bank's regulator, the Australian Prudential Regulation Authority (APRA) has supervisory oversight of all Authorised Deposit-taking Institutions (ADI) in Australia. Part of this oversight is to ensure that the composition of the Board of an ADI collectively demonstrates competencies in core skills at a level commensurate with the size and complexity of the ADI. Serve for a three-year term. The Board is structured so that some elected directors must retire each year by rotation and may be eligible for re-election. Beyond Bank directors cannot stand for re-election if they have served for nine years or more. As at 30 June 2022, the cap on the aggregate remuneration of directors, as approved by members at the 2020 AGM, is \$1,000,000 per annum.

(ii) **Risk Management**

Beyond Bank adopt sound risk management principles to create an operating environment that realises potential opportunities whilst managing the adverse effects of the associated risks. The Beyond Bank Board sets the appropriate risk appetite and strategy to ensure Beyond Bank remains strong, its assets are protected and opportunities are optimised. Beyond Bank's risk culture requires staff to be responsible for managing risks in line with our risk management strategies to protect existing value and create additional value. To deliver this objective, Beyond Bank uses the 'Three Lines of Defence' risk management and assurance model and regularly monitors the organisation's risk culture using a risk barometer.

(iii) **Beyond Bank Board Committees**

The Beyond Bank Board may from time to time establish committees to assist in performing its responsibilities. The Beyond Bank Board has established the following committees:

- Audit Committee;
- Risk Committee;
- Nomination Committee; and
- Governance and Remuneration Committee;

Other committees may be established by the Beyond Bank Board as and when required. Committees are structured to ensure they have the qualifications and experience to execute their responsibilities. Membership of each committee comprises appropriately skilled directors (with the exception of the Nomination Committee, which must comprise of at least two members who are independent of the Board) and, from time to time, the CEO by invitation. Other executive officers may also attend Board and Board committee meetings by invitation. Executive management attendance promotes effective communications and governance, plus

it provides contemporary banking and finance industry experience to complement directors' broader perspectives.

(iv) **Audit Committee**

The Audit Committee's key responsibilities are to:

- assist the Board in discharging its corporate governance oversight responsibilities by providing an objective non-executive review of the effectiveness of the Group's financial reporting process, external audit, internal audit function and the appointment of the external and internal auditors
- maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis)
- provide oversight and an assessment of the adequacy of internal control systems and processes
- help maintain effective internal and external audit functions and communication between the Board, its committees and the external and internal auditors

(v) **Risk Committee**

The Risk Committee's key responsibilities are to:

- consider any matters where there is exposure of the Group to possible economic or financial loss, damage, injury or delay as a consequence of pursuing its business
- monitor the alignment of the Group's risk profile and controls with the risk appetite (as defined in the risk appetite statement approved by the Board)
- monitor and provide oversight assurance of the Group's compliance with APRA Prudential Standards
- oversee the identification, management and reporting of risks inherent in the Group's operations.

Under its charter, the Risk Committee will comprise all Beyond Bank Directors.

(vi) **Nomination Committee**

The Nomination Committee's key responsibilities are to:

- assess each person who is nominated as a candidate for a directors' election or who is a retiring elected director standing for re-election, and provide a report to the Board of its assessment of each person;
- ensure the combined skills of the Board is fit for purpose; and
- on an annual basis, seek and consider appropriate information and advice to make a recommendation to the Board on the levels of its remuneration.

(vii) **Governance and Remuneration Committee**

The Beyond Bank Board has established a separate Governance and Remuneration Committee to consider the remuneration of Beyond Bank Directors and senior executives. The purpose of the Remuneration Committee is to assist the Beyond Bank Board in fulfilling its corporate governance responsibilities. The functions of the Remuneration Committee generally include:

- making recommendations to the Board about changes to its size and composition;
- ensuring an appropriate Board and committee structure is in place;

- considering the skills, knowledge and experience currently represented on the Board to assess whether those meet the needs of the business;
- overseeing the Beyond Bank Constitution and making recommendations for changes;
- conducting regular reviews and making recommendations to the Beyond Bank Board on the Beyond Bank remuneration policy;
- making annual recommendations to the Board on the remuneration of the CEO, direct reports of the CEO (i.e. executive officers) and other persons whose activities may, in the committee's opinion, affect the financial soundness of Beyond Bank; and
- making recommendations to the Board in relation to the remuneration framework and practices for all staff in the Group.

(viii) **Diversity Policy**

Beyond Bank recognises that a diverse and talented workforce is a competitive advantage and that Beyond Bank's success is the result of the quality and skills of our people. As such, the Beyond Bank Board has adopted a policy to approach decisions of recruitment, development, promotion, and remuneration on the basis of qualification and principles merit and fairness. In accordance with the requirements of the Workplace Gender Equality Act 2012 (Act) Beyond Bank has lodged its annual public report with the Workplace Gender Equality Agency (WGEA).

(ix) **Whistleblower Policy**

Beyond Bank is committed to creating and maintaining a fair working environment with an open and transparent culture and is committed to the establishment, implementation, and management of an effective Whistleblower program.

Beyond Bank is committed to creating and maintaining a working environment in which concerns about actual or suspected misconduct or improper states of affairs in relation to the Group's business can be disclosed, investigated and, if appropriate, remedied. Beyond Bank is committed to the establishment, implementation and management of an effective Whistleblower program that enshrines its legal obligations under the Corporations Act 2001, and reflects the Code of Conduct and Values of the company.

(x) **Selection of External Auditor**

KPMG is Beyond Bank's external auditor, and it is responsible for forming an opinion about whether the financial report complies with the accounting standards and gives a true and fair view and conducts its audit in accordance with the auditing standards. KPMG must meet independence requirements (including professional standards) and provide the directors with an auditor's independence declaration.

(xi) **Selection of Internal Auditor**

PwC is Beyond Bank's internal auditor, responsible for conducting internal audit assignments set out in the rolling four-year Internal Audit Plan and reporting their results to the Board Audit Committee and management. In its internal audit reports, PwC summarises the results of the reviews of systems and related internal controls and identifies areas for improvement. PwC also undertakes targeted reviews where requested by the Board or management.

(xii) **Customer Owned Banking Code of Practice**

Beyond Bank voluntarily subscribed to, and are committed to complying with, the Customer Owned Banking Code of Practice. The Customer Owned Banking Code of Practice (Code) is the code of practice for Australia's mutual banks, credit unions and building societies. The Code is a public expression of the level of support that subscribers will provide to its customers and the community, and the standards by which they be held accountable. It outlines clearly and transparently what a customer can expect when dealing with a Code subscriber.

The Code establishes higher standards than the law requires and reflects the customer owned banking sector's commitment to serving the interests of its customers and communities.

(c) **Senior Executive Team**

Name and position	Biography
<p>Jake Bromwich- Chief Executive Officer</p>	<p><i>B.Com, BAgSci (Hons)</i></p> <p>Jake joined Beyond Bank in 2023 as the Chief Executive Officer (CEO) designate and will assume responsibilities as CEO on the retirement of Robert Keogh. He has extensive banking and executive experience that has spanned across several major banks and their smaller entities. His career in financial services extends across a range of operational, front line, strategic and CEO roles in personal and business banking. He embraces the value of relationships and community and has lived and worked in several Australian states. Jake is based in Sydney, New South Wales.</p> <p>He also holds the positions of Chair Beyond Bank Australia Foundation Ltd, Director Community CPS Services Pty Ltd, Director Eastwoods Group Ltd.</p>
<p>Wayne Matters - Chief Financial Officer & Deputy Chief Executive Officer</p>	<p><i>BA (Accounting), GAICD, FCA</i></p> <p>Wayne joined Beyond Bank in 2001 as the Chief Finance Officer and was appointed Deputy Chief Executive Officer in 2013. Wayne manages a number of Beyond Bank's corporate support functions, including data, finance, wealth and treasury. He has 30 years' experience in finance, treasury, risk management and administration. Wayne is based in Adelaide, South Australia.</p> <p>He also holds the positions of Director of Community CPS Services Pty Ltd, Director Beyond Bank Employee Benevolent Fund Pty Ltd.</p>
<p>Peter Rutter - Chief Community & Strategy Officer</p>	<p>Peter has 30 years' experience in the banking and finance industry. He joined Beyond Bank in 1993. Prior to this, he was employed at Bank SA for 10 years. Peter is responsible for our strategic direction, brand, marketing and communications, and Beyond Bank's community development program. Peter is based in Adelaide, South Australia.</p> <p>He also holds the position of Director Beyond Bank Employee Benevolent Fund Pty Ltd.</p>
<p>Brad Markwart - Chief Risk Officer</p>	<p><i>BSc, BEc, GradCert Accounting, GAICD</i></p> <p>Brad has been in the finance industry over 20 years, joining Beyond Bank in 2001. With extensive experience in risk management and compliance, Brad is passionate about using people and technology to drive efficiencies and improved risk management outcomes for the Bank and its customers. Brad is responsible for the Bank's risk management, compliance, and financial crimes functions. Brad is based in Canberra, Australian Capital Territory.</p> <p>He also holds the positions of Director Beyond Employee Benevolent Fund Pty Ltd, Director Community CPS Services Pty Ltd.</p>
<p>Michelle Coelho - Chief People & Culture Officer</p>	<p><i>MBA, GAICD</i></p> <p>Michelle has been with Beyond Bank for more than 20 years, starting her banking career with United Credit Union. Her most recent appointment before joining the Executive team was to</p>

Name and position	Biography
	<p>lead our team in WA as State Manager, a position she held for 10 years. Michelle is responsible for driving performance, leadership, development and growth of people at Beyond Bank Australia and alignment to culture. Michelle is based in Perth, Western Australia</p> <p>She also holds the positions of Director Beyond Bank Employee Benevolent Fund Pty Ltd, Director Beyond Bank Australia Foundation Ltd.</p>
<p>Tony Maughan - Chief Operating Officer</p>	<p><i>B.Com, MBA, CA, MAICD</i></p> <p>Tony joined Beyond Bank in 2023 as the Chief Operating Officer. Tony brings extensive leadership experience across the entire banking value chain, including group strategy, mergers and acquisitions, front-line banking, and large-scale transformation projects. At Beyond Bank, Tony is responsible for overseeing Business Enablement, Products and Payments, Credit Assessment, Loan Fulfillment, and Property teams. With his commitment to operational effectiveness, Tony plays a vital role in driving our purpose to create and return value for our customers. Tony is based in Melbourne, Victoria.</p> <p>He also holds the position of Director Community CPS Services Pty Ltd, Director Eastwoods Group Ltd, Director Eastwood Wealth Management Pty Ltd.</p>
<p>Vacant Position - Chief Information Officer</p>	<p><i>A recruitment process is currently underway at the time of printing this document to appoint a suitably qualified candidate to this role.</i></p>
<p>Nick May - Chief Customer Officer</p>	<p><i>MBA, GDBM, GAICD</i></p> <p>Nick is a values-focused executive with over 25 years of experience in the banking industry. He joined the Beyond Bank Executive Team in 2013. Nick is General Manager Customer Experience. With oversight of the bank's overall customer experience, Nick's focus is on the relationships, service and interactions customers have through the bank's various channels. This includes the broad distribution and retail network covering branches, Business Banking, Customer Relationship Centre, Digital Team, Insurance and Third Party Division. Nick is based in Adelaide, South Australia.</p> <p>He also holds the position of Director Beyond Bank Australia Foundation Ltd.</p>

8.4 Interests in AWA Member Shares and benefits

(a) **Beyond Bank interests in AWA Member Shares**

As at the date of this Scheme Booklet, other than as set out below and in section 7.5, neither Beyond Bank nor any Beyond Bank Director holds a Relevant Interest in AWA Member Shares or any other AWA security.

(b) **No dealings in AWA Member Shares in the previous four months**

Except for the consideration to be provided under the Scheme, neither Beyond Bank nor any of its Associates has provided, or agreed to provide, consideration for AWA Member Shares under any purchase or agreement to purchase during the four months ending on the day immediately before the date of this Scheme Booklet.

(c) **No pre-Scheme benefits**

During the period of four months before the date of this Scheme Booklet, neither Beyond Bank nor any of its Associates gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person or an Associate of the other person to:

(xiii) vote in favour of the Scheme; or

(xiv) dispose of AWA Member Shares,

and which is not offered to all AWA Members.

8.5 Beyond Bank's corporate structure

The following entities are all of the Subsidiaries of Beyond Bank:

Name	Place of incorporation	Function	Ownership interest (%)
Beyond Employee Benevolent Fund Pty Ltd ABN: 22 121 458 106	Adelaide South Australia	This fund has been established to provide financial assistance to permanent employees who have passed their probationary period who, due to serious illness, accident, natural disaster, family trauma or a critical personal situation, are faced with severe financial hardship or when the death of an employee leaves their spouse / partner / dependents in financial distress.	100%
Beyond Bank Australia Foundation Ltd ABN: 89 119 727 507	Adelaide South Australia	Beyond Bank has established a Community Foundation and within the Foundation a number of foundation Sub Funds to support the local communities in which it operates. The Foundation is funded by a percentage of Beyond Bank's net profit after tax, as well as contributions from staff, members and wider communities. The Funds that have been established are the: <ul style="list-style-type: none"> • Beyond Bank Foundation Master DGR Fund; and • Beyond Bank Master Support Fund Several Sub Funds comprise the Master funds	100%
Community CPS Services Pty Ltd ABN: 18 149 135 437	Adelaide South Australia	Provides trust management services to Beyond Bank's Securitisation trusts.	100%
Eastwoods Group Limited ABN: 94 008 618 193	Adelaide South Australia	This is the parent company of Eastwoods Wealth Management Pty Ltd. This company is non-operating.	100%
Eastwoods Wealth Management Pty Ltd ABN: 17 008 167 002	Adelaide South Australia	This company is a non-operating wholly owned subsidiary of the provider of Eastwoods Group Ltd. This company formally provided financial planning services.	100%

Name	Place of incorporation	Function	Ownership interest (%)
AFS Licence Number 237853			

8.6 Beyond Bank's issued securities

As at 30 June 2023, Beyond Bank has the following securities on issue:

Type of security	Number on issue
Member Shares	290,503
D Class Shares	315,200
MCI's	Nil

(a) Beyond Bank Member Shares

On the assumptions that:

- (i) the Scheme becomes Effective; and
- (ii) no other AWA Member Shares or Beyond Bank Member Shares are issued,

Beyond Bank will have approximately 296,000 Beyond Bank Member Shares on issue following the Scheme being implemented and subject to the approval of members of First Choice Credit Union voting in favour of the FCCU Merger proposed to take place on 1 February 2024, this will increase to over 300,000 members.

(b) Beyond Bank Member Shares

On implementation of the Scheme, the Scheme Participants are estimated to hold 5,914⁹ of the total Beyond Bank Member Shares (as they will be exchanged on a 1 for 1 basis, and noting that Joint Members (other than the primary first named AWA Member) will also receive a New Beyond Member Share, with the same rights as all other Beyond Member Shares, save that it shall have a \$nil subscription price).

8.7 No trading or price history and no substantial shareholders

As Beyond Bank is a mutual entity, its securities are not listed on any stock exchange and the Beyond Bank Member Shares are not transferrable. Accordingly, no share price history for the Beyond Bank Member Shares can be provided. Beyond Bank Member Shares previously issued have had a subscription price of \$Nil, \$2.00 and \$10.00. Typically Beyond Bank Member Shares are issued for a \$Nil subscription price (in line with the Beyond Constitution) except in relation to shares that are issued in connection with the acquisition of other banking businesses. New Beyond Bank Members Shares to be issued pursuant to the Scheme will have a subscription price of \$10.00 each.

Additionally, as a mutual entity, each Beyond Bank Member holds only one shares in Beyond Bank. Accordingly, AWA has no substantial shareholders and no controller or controlling shareholder.

8.8 Effect of the merger on Beyond Bank

As outlined elsewhere in this Scheme Booklet (including at Sections 3.3 and 11, the Scheme involves the 'Statutory Transfer' of banking products from Bendigo to Beyond Bank. These products

⁹ Noting that this number cannot be confirmed until the Scheme Record Date.

represent assets and liabilities that were originally transferred from AWA to Bendigo at the commencement of the Alliance Agreement with Bendigo, and banking products that AWA has subsequently issued as agent for Bendigo since that time under the alliance arrangements. These products are therefore held on the balance sheet of Bendigo and not AWA.

The Statutory Transfer will result in the transfer of these products directly from Bendigo to Beyond Bank, as part of the overall merger transaction. However, AWA is not directly a party to the Statutory Transfer. Beyond Bank will pay the consideration (if any) for the Statutory Transfer directly to Bendigo. No premium is payable; rather the products will transfer at their 'Net Portfolio Value' (**NPV**).

In simple terms, the NPV is effectively the sum of deposit balances and accrued interest thereon of AWA Members, less loans balances and the interest accrued thereon on loans of AWA Members.

Where the NPV is a negative number, Beyond Bank must make a payment to Bendigo. If the NPV is a positive number, Bendigo must make a payment to Beyond Bank.

Based on the NPV of the assets and liabilities to be transferred calculated as at 1 November 2023, the payment to be made by Beyond to Bendigo is estimated to be approximately \$197.55 million. This value may increase or decrease prior to the Implementation Date. Beyond Bank's plan to fund this payment is as follows:

- (a) from excess liquid assets, then if required;
- (b) from undrawn warehouse securitisation facility limits, then if required;
- (c) from increased warehouse securitisation facility limits, then if required;
- (d) from new wholesale term deposits, then if required;
- (e) from new NCD (negotiable certificate of deposit) issuance.

Refer also to the risks associated with this payment disclosed at section 9.2(n). The effect of the merger on Beyond Bank will therefore include impacts to its balance sheet and cash resulting from:

- (f) the Statutory Transfer which will affect its assets and liabilities;
- (g) the acquisition of AWA's business;
- (h) the payment of any or receipt of any amount to and from Bendigo (if any) in connection with the Statutory Transfer and movements in net cash;
- (i) the issue of the New Beyond Bank Member Shares as part of the Scheme Consideration; and
- (j) transaction costs.

The Beyond Bank Pro Forma Statement of Financial Position has been prepared (see section 8.10.7 below) to demonstrate the effects of the merger on Beyond Bank.

AWA, Beyond Bank and Bendigo have entered into a Tripartite Agreement¹⁰ to facilitate the necessary application with APRA and other steps required to complete the Statutory Transfer. The initial joint application to APRA has been lodged.

¹⁰ **HWLE Note to ASIC:** The Tripartite Agreement was signed on or about 10 November 2023.

Bendigo's obligation to complete the Statutory Transfer is subject to Beyond Bank paying the required amount into an escrow account, which is expected to occur shortly after the Scheme Meeting (subject to AWA's Members approving the Scheme).

Additionally, Beyond also requires consent from the Treasurer pursuant to section 63 of the *Banking Act 1959 (Cth)*. A letter from Beyond to APRA requesting this consent was sent to APRA with the initial APRA application dated 9 October 2023 (noting APRA arranges this consent as part of its approval process under the Transfer Rules). Beyond does not require any other separate consents or regulatory approvals to proceed with the Statutory Transfer.

8.9 Beyond Bank's growth strategy and FCCU Merger

Beyond Bank has a strategic program that aims to continue to expand nationally to achieve greater geographic diversity that mitigates any potential economic risks that may emerge. Beyond Bank seeks to do business and consider merger opportunities with likeminded mutual/customer owned organisation.

On 18 July 2023 Beyond Bank signed an Memorandum of Understanding (**MOU**) with First Choice Credit Union Ltd (**FCCU**) in respect of the potential merger (FCCU Merger). The rationale for the full transfer of the FCCU business to Beyond Bank is to establish a presence in the regional centre of Orange NSW and surrounding region which Beyond Bank is not currently located in FCCU has assets of around \$100 million, members of 4,000, and 10 staff. It operates below 70% cost to income ratio and presently holds a capital adequacy ratio of 19%. The FCCU board decided to choose Beyond Bank as its partner because of Beyond Bank's brand and the way in which it integrates mutuals into their operating platform.

The material terms of the MOU are:

- The MOU provides for a total transfer of business of FCCU into Beyond Bank as the receiving entity.
- Members of FCCU will become members of Beyond Bank.
- All staff of FCCU (10 in total) will be offered roles within Beyond Bank on terms at least favourable or better than current arrangements.
- A local community support fund will be established to support Orange and the surrounding region's community programs.
- If approved by the members of FCCU at a special general meeting in December 2023 the proposed merger is expected to take effect at 12.01am on 1 February 2024.
- The one branch located in Orange will be maintained including the 4 regional agencies in surrounding townships which further supports Beyond Bank supporting regional communities.
- Following the merger the terms and conditions applying to products and services held by the members of each party will continue as per their existing contract. Upon renewal of a product or service, members of FCCU will be offered products or services with the same terms and conditions as those available to all members of Beyond Bank. A detailed comparison of existing product terms and conditions will be undertaken prior to the merger with a view to ensuring that, to the extent that is reasonably practicable, FCCU products and services will be aligned.

As at the date of this Scheme Booklet, Beyond Bank and FCCU have lodged the required regulatory approval documents with APRA seeking permission to obtain approval of the members of FCCU in December 2023.

Beyond Bank does not consider the FCCU Merger to be material, (should the Scheme be implemented) to the Combined Group on the basis that FCCU represents 1.1% of Beyond Bank's assets as at 30 June 2023. Even if the FCCU merger does proceed Beyond Bank does not expect

that it will in any way adversely impact the rights and benefits that AWA Members will receive as a result of the Scheme and merger with Beyond Bank.

Beyond Bank has also warranted in favour of AWA that there are no matters, facts or circumstances arising from the FCCU Merger, known to Beyond Bank, which would, or would be likely to, adversely impact Beyond Bank's ability to perform its obligations under this Agreement, the Deed Poll or the Scheme.

8.10 Beyond Bank's Financial information

8.10.1 Introduction

Beyond Bank's financial statements for the year ended 30 June 2023 were lodged with ASIC on 28 September 2023. For the year ended 30 June 2023, Beyond Bank reported total operating income of \$200.1 million and net profit (after tax) of \$35.5 million.

8.10.2 Financial Information

The financial information contained in this Section 8.10 includes the historical financial information for Beyond Bank for the financial years ended 30 June 2021 (FY21), 30 June 2022 (FY22), and 30 June 2023 (FY23).

This Section 8.10 contains a summary of:

- (a) The Beyond Bank Statutory Historical Financial Information, comprising:
 - (i) Beyond Bank's audited statutory historical consolidated statement of profit and loss and other comprehensive income for FY21, FY22 and FY23 (Beyond Bank Statutory Historical Income Statement);
 - (ii) Beyond Bank's audited statutory historical consolidated statement of cash flow for FY21, FY22 and FY23 (Beyond Bank Statutory Historical Statement of Cash Flow); and
 - (iii) Beyond Bank's audited statutory historical consolidated statement of financial position as at 30 June 2023 (Beyond Bank Statutory Historical Statement of Financial Position),(Together, the Beyond Bank Statutory Historical Financial Information); and
- (b) Pro Forma Historical Statement of Financial Position, comprising:
 - (i) Beyond Bank's unaudited Pro forma Historical Statement of Financial Position as at 30 June 2023 (Beyond Bank Pro Forma Historical Statement of Financial Position).

The Beyond Bank Statutory Historical Financial Information and Beyond Bank Pro Forma Historical Statement of Financial Position is together referred to as the 'Beyond Bank Financial Information'.

Beyond Bank has a 30 June financial year end.

In addition, this Section 8.10 summarises:

- (c) the basis of preparation and presentation of the Beyond Bank Financial Information (see Section 8.10.3);
- (d) Beyond Bank Statutory Historical Financial Information and the pro forma adjustments to it (see Section 8.10.7);
- (e) information regarding liquidity and capital resources (see Section 8.10.8);

- (f) Beyond Bank's critical accounting policies as per the Beyond Bank Annual Report 2023 (see Section 8.10.9 and Annexure H to this Scheme Booklet); and
- (g) Beyond Bank's dividend policy (see Section 8.11).

The information in Section 8.10 should also be read in conjunction with the risk factors set out in Section 9 and other information contained in this Scheme Booklet.

All amounts disclosed in Section 8.10 and Annexure H are presented in Australian dollars (AUD) and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Scheme Booklet have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Scheme Booklet are due to rounding.

8.10.3 Overview and preparation and presentation of the Historical Financial Information

The Beyond Bank Directors are responsible for the preparation and presentation of the Beyond Bank Financial Information.

The Beyond Bank Financial Information included in this Scheme Booklet is intended to present AWA Members with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Beyond Bank.

The Beyond Bank Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian equivalents to International Financial Reporting Standards (IFRS) issued by the Australian Accounting Standards Board. Beyond Bank reports under IFRS and in AUD, which is its elected presentation currency. The Beyond Bank significant accounting policies outlined in Beyond Bank's 2023 Annual Report are described in Annexure H of this Scheme Booklet.

The Beyond Bank Pro Forma Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (AAS) and IFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and IFRS, that reflect the impact of certain transactions as if they had occurred on or before 30 June 2023.

The Beyond Bank Financial Information is presented in an abbreviated form, and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Refer to Section 8.5 for a summary of the current Beyond Bank corporate structure.

Status of Beyond Bank Financial Information

The Beyond Bank Financial Information (as defined above) has been extracted or derived from the Beyond Bank 2023 Annual Reports, which were audited by KPMG. However, KPMG have not performed any function in relation to the preparation of this Scheme Booklet (including this Section 8.10, and neither KPMG nor any of its directors, officers or employees takes responsibility for the contents of this Scheme Booklet.

8.10.4 Preparation of the Beyond Bank Financial Information

The Beyond Bank Financial Information has been presented on both a statutory and a pro forma basis.

The Beyond Bank Statutory Historical Financial Information has been derived from the respective audited financial statements of Beyond Bank.

The FY21, FY22 and FY23 financial statements of Beyond Bank were audited by KPMG, who issued an unmodified audit opinion in respect of each year.

The Beyond Bank Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Scheme Booklet. The Beyond Bank Pro Forma Historical Statement of Financial Position has been derived from the audited Beyond Bank Statutory Historical Financial Information as at 30 June 2023 and adjusted for the effects of the subsequent events and pro forma adjustments.

Section 8.9.7 sets out the pro forma adjustments to the Beyond Bank Statutory Historical Statement of Financial Position, and a reconciliation of the Beyond Bank Statutory Historical Statement of Financial Position to the Beyond Bank Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Beyond Bank Historical Statement of Financial Position to reflect the impact of the Scheme (including the Statutory Transfer) on Beyond Bank as if it had occurred as at 30 June 2023.

In preparing the Beyond Bank Financial Information, Beyond Bank's accounting policies have been consistently applied throughout the periods presented.

AWA Members should note that past results are not a guarantee of future performance.

Changes in accounting standards

In respect of FY21, FY22 and FY23 financial statements, Beyond Bank adopted new and revised Australia Accounting Standards when they became mandatory, with associated impacts disclosed in the notes to those financial statements. These financial statements are available for download at: <https://www.beyondbank.com.au/about-us/corporate-governance/annual-reports.html>.

AWA Members should also refer to the description of the key financial terms set out in Section 8.10.5.

Although the Beyond Bank Directors believe that these measures provide useful information about the financial performance of Beyond Bank, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Beyond Bank has calculated these measures may differ from similarly titled measures used by other companies. AWA Members and readers of this Scheme Booklet should therefore not place undue reliance on these non-IFRS financial measures.

8.10.5 Summary of the Beyond Bank Historical Statutory Statement of Profit or Loss and other Comprehensive Income

Table 8.1 sets out the audited Beyond Bank Historical Statement of Profit or Loss and other Comprehensive Income for FY21, FY22 and FY23 reproduced from Beyond Bank's audited annual reports.

Table 8.1: Summary of the Historical Statutory Income Statement

For Year Ended 30 June	Consolidated			Company		
	2023 \$m	2022 \$m	2021 \$m	2023 \$m	2022 \$m	2021 \$m
Interest revenue	324.1	190.9	201.8	324.2	190.9	201.8
Interest expense	154.0	35.0	55.2	156.2	36.9	57.1
Net Interest revenue	170.1	155.9	146.6	168.0	154.0	144.7
Net fair value adjustment on interest rate swaps	0.0	0.0	-0.1	3.0	-29.5	-4.0
Non interest operating income	30.0	28.1	23.6	28.7	26.1	21.4
Impairment (reversals) / losses on loans and advances and investment instruments	-0.3	1.5	-0.6	-0.3	1.5	-0.6
Business Combination costs	1.5	0.4	0	1.5	0.4	0.0
Other expenses	148.6	130.7	124.1	144.9	127.2	120.5
Net operating income	50.3	51.4	46.6	53.6	21.5	42.2
Remeasurement of contract receivable	-0.1	-0.6	-0.6	-0.2	-0.5	-0.6
Gain on sale of other investments	0.0	1.0	0	0.0	1.0	0.0
Impairment losses on equity accounted Investments	-0.3	-0.9	0	-0.3	-0.9	0.0
Share of net profit/(loss) of associates	0.3	-1.5	0.6	0.3	-1.5	0.6
Profit before income tax expenses	50.2	49.4	46.6	53.4	19.6	42.2
Income tax expense	14.7	13.9	13.8	15.6	5.0	13.7
Net Profit for the period	35.5	35.5	32.8	37.8	14.6	28.5
Other comprehensive income, net of tax	0.0	0.0	0.0	0.0	0.0	0.0
Items that may be reclassified to profit and loss	0.0	0.0	0.0	0.0	0.0	0.0
Effective portion of changes in fair value cash flow hedges	1.8	0.0	0.0	1.8	0.0	0.0
Items that will not be reclassified to profit or loss	0.0	0.0	0.0	0.0	0.0	0.0
Change in equity securities at fair value through other comprehensive income	0.0	5.5	0.0	0.0	5.5	0.0
Total comprehensive income for the period	37.3	41.0	32.8	39.6	20.1	28.5

The Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the notes to the financial statements in respective Annual reports for the period.

Description of the key financial terms

Set out below is a description of the key financial terms used in the presentation of the Beyond Bank Historical Financial Information:

- Consolidated: The combined accounts of Beyond Bank Australia and its controlled entities.
- Fair Value: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
- Financial Instrument: Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- Interest Rate Swap: A type of Derivative Financial Instrument under which Beyond Bank Australia agrees to exchange interest cash flows with another party for an agreed period of time.
- Equity: The excess of Beyond Bank Australia's assets over its liabilities, which is the amount owned by members. Also referred to as Member's Funds.
- Deferred Tax Amounts: Deferred Tax Assets and Deferred Tax Liabilities reflect the tax effect of timing differences, being items, which are brought to account in different periods for income tax and accounting purposes.
- Lease Liability: A financial obligation to make the payments arising from a lease, measured on a discounted basis.
- Receivables: Amounts owed by members and other external parties for which payment is expected soon.

- Reserves: Several reserves exist within equity and have been derived from specific transactions such as the net change in value of revalued assets still held (Asset Revaluation Reserve), the Equity transferred to Beyond Bank Australia from another credit union upon merger (Transfer of Business Reserve), and the value of shares redeemed out of retained profits (Redeemed Share Reserve)

Right-of-use asset: A lessee's right to use an asset over the life of a lease.

General factors affecting the statutory historical operating results of Beyond Bank

Extracts from the respective annual reports are included below, containing a discussion of the main factors which affected the Beyond Bank operations and the relative financial performance in FY21, FY22 and FY23, which Beyond Bank expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected Beyond Bank's historical operating and financial performance, nor everything which may affect Beyond Bank's operations and financial performance in the future.

Management discussion and analysis of the Beyond Bank Statutory Historical Financial Information

Financial Year 2021

The Consolidated Entity had a successful year in providing financial services to members. Loans under management grew at around system growth of 4.7% and by a total of \$279m for the year. Deposits from members grew by a substantial 12.4% or \$658m. Total Operating Income grew by 8.2% to \$170.1m which was a strong result given significant uncertainty in financial markets and ongoing interest rate margin pressure. Also noting that the Reserve Bank again lowered its cash rate early in the financial year from 0.25% at June 2020 to 0.10% in November 2020; a new historic low, and a point at which it has remained for the remainder of the year.

Net Profit for the year (after tax) was \$32.8m, an increase of 30.3% when compared with last year's profit after tax. Both years included several abnormal transactions, with \$0.638m of costs relating to the Nexus Mutual merger impacting last year's results, and the net fair value adjustment on interest rate swaps favourable last year (\$1.2m), in comparison to a small expense being recorded in 2020/21 of \$0.1m.

Similar to last year, net profit includes a \$0.6m reduction in income due to the accounting treatment required under accounting standard AASB15 Revenue. This accounting standard required significant receivables to be booked at the date of initial adoption (1 July 2018) for future years' Insurance and Wealth Management commissions where performance obligations have been met prior to 1 July 2018. The subsequent remeasurement of these receivables at 30 June 2021 resulted in this net reduction in income.

Underlying profit therefore reflects a solid result in light of the continued low interest rate environment in Australia with a reconciliation of reported profit to unaudited underlying profit set out in the following Table.

For the Year Ended 30 June 2021

Table 1 – Consolidated Underlying Earnings	Before Tax \$m	Tax \$m	After Tax \$m
Per Statement of Comprehensive Income	46.6	13.8	32.8
+/- Fair value adjustment on interest rate swaps	0.1	0.0	0.1
Share of net profit of associate	(0.6)	(0.2)	(0.4)
AASB 15 revenue standard income adjustment	0.6	0.2	0.4
Consolidated Entity Underlying Profit	46.7	13.8	32.9
	For the Year Ended 30 June 2020		
Per Statement of Comprehensive Income	35.3	10.1	25.2
+/- Fair value adjustment on interest rate swaps	(1.2)	(0.4)	(0.8)
Share of net profit of associate	(1.0)	(0.3)	(0.7)
Contribution from alliance partner	(0.4)	(0.1)	(0.3)
AASB 15 revenue standard income adjustment	0.7	0.2	0.5
Business combination costs – Nexus Mutual merger	0.6	0.2	0.4
Fee remediation costs	0.1	0.0	0.1
AASB 16 Leases costs incurred via application of new standard in comparison to expensing lease payments	0.2	0.1	0.1
Consolidated Entity Underlying Profit	34.3	9.8	24.5

Financial Year 2022

The Consolidated Entity had a successful year in providing financial services to members. Loans under management grew at 10.3%, above system growth, with a \$636m increase in balances including \$99m brought across via the merger with South West Credit Union Co-Operative Limited (SWCU) during the year. Deposits from members grew by a substantial 9.6% or \$575m, including \$193m from SWCU. Total Operating Income grew by 8.1% to \$184m which was a strong result given significant uncertainty in financial markets and record low interest rates for the majority of the year which ensured ongoing interest rate margin pressure.

Net Profit for the year (after tax) was \$35.5m, an increase of 8.2% when compared with last year's profit after tax. Several abnormal transactions were recorded this year, with \$0.415m of costs relating to the SWCU merger impacting this year's results, an impairment loss of \$0.904m being recorded on equity accounted investments, and a share of the loss of associates of \$1.528m recorded this year in comparison to a share of profit of \$0.554m being recorded in 2020/21.

Similar to last year, net profit includes a \$0.551m reduction in income due to the accounting treatment required under accounting standard AASB15 Revenue. This accounting standard required significant receivables to be booked at the date of initial adoption (1 July 2018) for future years' Insurance and Wealth Management commissions where performance obligations have been met prior to 1 July 2018. The subsequent remeasurement of these receivables at 30 June 2022 resulted in this net reduction in income.

Underlying profit therefore reflects a solid result in light of the continued low interest rate environment in Australia with a reconciliation of reported profit to unaudited underlying profit set out in the following Table.

Table 1 – Consolidated Underlying Earnings

For the Year Ended 30 June 2022

	Before Tax \$m	Tax \$m	After Tax \$m
Per Statement of Comprehensive Income	49.4	13.9	35.5
Business Combination costs - SWCU Merger	0.4	0.1	0.3
Impairment losses on equity accounted investments	0.9	0.3	0.6
Share of net loss of associate	1.5	0.5	1.0
AASB 15 revenue standard income adjustment	0.6	0.2	0.4
Gain on Sale of Society One equity investment	(1.0)	(0.3)	(0.7)
Consolidated Entity Underlying Profit	51.8	14.7	37.1
	For the Year Ended 30 June 2021		
Per Statement of Comprehensive Income	46.6	13.8	32.8
+/- Fair value adjustment on interest rate swaps	0.1	0.0	0.1
Share of net profit of associate	(0.6)	(0.2)	(0.4)
AASB 16 Leases costs incurred via application of new standard in comparison to expensing lease payments	0.6	0.2	0.4
Consolidated Entity Underlying Profit	46.7	13.8	32.9

Financial Year 2023

The Consolidated Entity had a successful year in providing financial services to members. Loans under management grew at 9.0% or \$614m, which was above system growth. Deposits from members grew by 5.8% or \$383m. Total Operating Income grew by 8.7% to \$200m, which was a strong result given significant uncertainty in financial markets and significant pressure on interest margins which arose as funding repriced upwards quickly and as ultra-low rate borrowings, such as the Reserve Bank's Term Funding Facility, began to be repaid and replaced at a much higher cost.

Operational integration with South West Credit Union Co-Operative Limited (SWCU) was completed during the year following the merger in April 2022. The Consolidated Entity elected to deliver complex financial advice (financial planning) services to customers through a partnership model during the year rather than under its own licence. As a result, the Consolidated Entity sold its financial advice business to Bridges Financial Services Group Pty Ltd (Bridges) during the year and entered into a referral agreement under which Bridges will provide financial planning services to the Consolidated Entity's customers.

Net Profit for the year (after tax) was \$35.5m, which equalled last year's result. Inflation increased a number of our cost lines, noticeably in the second half of the year, as suppliers, and IT service companies in particular, passed on their rising costs – in some cases via double digit percentage increases. Whilst the merger with SWCU legally occurred in 2021-22 and was reflected in last year's accounts, the banking system merger did not occur until this financial year, and the project costs associated with that conversion and running two systems during the year totalled \$1.475m (\$0.415m).

A small impairment loss of \$0.252m was recorded in relation to equity accounted investments (in comparison to the \$0.904m impairment loss recorded in 2021-22), however this year's impairment loss was largely offset by a similar sized gain recorded in relation to our share of the profit of

associates of \$0.286m, a much more favourable outcome than the \$1.528m share of loss recorded last year.

Underlying profit therefore reflects a solid result in light of the continued low interest rate environment in Australia with a reconciliation of reported profit to unaudited underlying profit set out in the following table extract page 8 Beyond Bank 2023 Annual Report Table 1.

Table 1 – Consolidated Underlying Earnings

	For the Year Ended 30 June 2023		
	Before Tax \$m	Tax \$m	After Tax \$m
Per Statement of Profit or Loss	50.2	14.7	35.5
Business Combination costs - SWCU Merger	1.5	0.5	1.0
Impairment losses on equity accounted investments	0.3	0.1	0.2
Share of net profit of associate	(0.3)	(0.1)	(0.2)
AASB 15 revenue standard income adjustment	0.1	0.0	0.1
Consolidated Entity Underlying Profit	51.8	15.2	36.6
	For the Year Ended 30 June 2022		
Per Statement of Profit or Loss	49.4	13.9	35.5
Business Combination costs - SWCU Merger	0.4	0.1	0.3
Impairment losses on equity accounted investments	0.9	0.3	0.6
Share of net loss of associate	1.5	0.5	1.0
AASB 15 revenue standard income adjustment	0.6	0.2	0.4
Gain on Sale of Society One equity investment	(1.0)	(0.3)	(0.7)
Consolidated Entity Underlying Profit	51.8	14.7	37.1

8.10.6 Summary of the Beyond Bank Historical Statutory Statement of Cash Flows

Table 8.2 sets out the audited Beyond Bank Historical Statutory Cash Flows for FY21, FY22 and FY23 reproduced from Beyond Bank's audited annual reports. The statutory cash flow information has been constructed using the indirect method (i.e. reconciling EBITDA to operating cash flows).

Table 8.2 Summary of the Beyond Bank Historical Statutory Statement of Cash Flows

For Year Ended 30 June	Consolidated			Company		
	2023	2022	2021	2023	2022	2021
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Interest received	318.2	189.7	201.3	318.2	189.7	201.3
Net(increase) in loans, advances and other receivables	-613.9	-538.4	-277.8	-613.5	-538.0	-277.3
Net decrease/(increase) in investment instruments	-26.1	307.2	-409.5	-26.4	306.8	-410.0
Other non interest income received	31.6	28.1	23.6	29.0	26.1	21.5
Interest and other costs of finance paid	-119.3	-35.6	-61.6	-121.5	-37.5	-63.5
Net increase in deposits from members	348.4	382.6	664.7	349.1	383.1	664.8
Payments to suppliers and employees	-125.6	-176.5	-96.7	-121.7	-173.0	-93.1
Income tax paid	-17.7	-16.0	-12.6	-17.4	-16.1	-12.6
Net cash from operating activities	-204.4	141.1	31.4	-204.2	141.1	31.1
Cash flows from investing activities						
Decrease/(increase) amounts receivable from controlled entities	0.0	0.0	0	-0.2	0.0	0.3
Proceeds from sale of/(payments for) other investments	0.1	1.0	0	0.1	1.0	0.0
Payment for property, plant and equipment	-1.9	-3.5	-3.8	-1.9	-3.5	-3.8
Proceeds from sale of property, plant and equipment	0.7	0.0	0	0.7	0.0	0.0
Payment for intangible assets - capitalised software	-0.1	-0.2	-0.8	-0.1	-0.2	-0.8
Payment for expenses directly attributable to business combinations	-1.5	-0.4	0	-1.5	-0.4	0.0
Increase in cash balances via business combination	0.0	16.9	0	0.0	16.9	0.0
Net cash from/ (used in) investing activities	-2.7	13.8	-4.6	-2.9	13.8	-4.3
Cash flows from financing activities						
Net increase in borrowings	238.7	-129.7	1.6	238.7	-129.7	1.6
Payments of lease liabilities	-8.1	-7.5	-8.2	-8.1	-7.5	-8.2
Net cash from/ (used in) financing activities	230.6	-137.2	-6.6	230.6	-137.2	-6.6
Net increase in cash and cash equivalents	23.5	17.7	20.2	23.5	17.7	20.2
Cash and cash equivalents at the beginning of the financial year	131.8	114.1	93.9	131.8	114.1	93.9
Cash and cash equivalents at the end of the financial year	155.3	131.8	114.1	155.3	131.8	114.1

The Statements of Cash Flows are to be read in conjunction with the notes to the financial statements in respective Beyond Bank Annual Reports for the relevant periods.

8.10.7 Summary of the Beyond Bank Historical Statutory of Financial Position and Pro Forma Adjustments

Table 8.3 sets out the audited Beyond Bank Historical Statutory Statement of Financial Position of Beyond Bank and the pro forma adjustments that have been made to prepare the Beyond Bank Pro Forma Historical Statement of Financial Position.

The Beyond Bank Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Beyond Bank's view of its financial position upon implementation of the Scheme or at a future date.

Table 8.3 Beyond Bank Statutory Statement of Financial Position as at 30 June 2023

For Year Ended 30 June	Consolidated			Company		
	2023	2022	2021	2023	2022	2021
Assets	\$m	\$m	\$m	\$m	\$m	\$m
Cash and cash equivalents	155.3	131.8	114.1	155.3	131.8	114.1
Prepayments and other receivables	75.1	87.7	14.7	75.1	86.3	13.4
Other financial assets	25.1	25.6	3.9	2.5	0.0	3.9
Investment instruments	1194.9	1168.9	1382.7	1194.9	1168.9	1382.7
Loans and advances	7417.0	6802.6	6167.0	7417.0	6802.6	6167.0
Equity accounted investments	5.4	5.4	7.8	5.4	5.4	7.8
Other investments	21.8	21.8	13.4	23.8	23.8	15.4
Right of use assets	21.3	21.8	25.8	21.3	21.8	25.8
Property, plant and equipment	17.0	19.5	18.4	17.0	19.5	18.4
Intangible assets	0.2	0.6	1.2	0.2	0.6	1.2
Net deferred tax assets	5.0	5.2	6.1	12.9	14.3	6.4
Total assets	8938.1	8290.9	7755.1	8925.4	8275.0	7756.1
Liabilities						
Deposits from members	6935.3	6552.2	5977.3	6944.0	6560.3	5984.8
Trade and other payables	12.6	18.3	1.0	12.3	18.0	0.9
Current tax liabilities	0.4	2.7	3.7	0.4	2.7	3.9
Lease liabilities	27.6	28.9	33.5	27.6	28.9	33.5
Borrowings	1256.0	1017.3	1141.6	1256.0	1017.3	1141.6
Other financial liabilities	22.6	25.6	3.9	22.6	25.6	0.0
Employee benefits	13.4	12.9	11.9	13.1	12.3	11.4
Total Liabilities	8267.9	7657.9	7172.9	8276.0	7665.1	7176.1
Net assets	670.2	633.0	582.2	649.4	609.9	580.0
Equity						
Share capital	0.3	0.4	0.4	0.3	0.4	0.4
Reserves	186.9	185.0	198.5	186.9	185.0	198.5
Retained earnings	483.0	447.6	383.3	462.2	424.5	381.1
Total equity	670.2	633.0	582.2	649.4	609.9	580.0

The Statements of Financial Position are to be read in conjunction with the notes to the financial statements in respective Annual reports for the period.

Table 8.4 Beyond Bank Statutory Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 30 June 2023

Consolidated Financial Information
Beyond Bank, FCCU, AWA and Statutory Transfer from Bendigo (as at 30 June 2023)

FINANCIAL INFORMATION:	30-Jun-23				
	First Choice Credit Union(\$'000)	BEN Transfer (\$'000)	Beyond Bank (\$'000)	AWA Mutual Ltd ('000)	Beyond Bank Post Transfer (\$'000)
ASSETS					
Cash and Liquid Assets	3,532		155,300	1,288	160,118
Receivable due from Other Financial Institutions	318				318
Investment Securities	43,112		1,194,900	11,505	1,249,517
Loans and Advances to Members	50,973	324,003	7,417,000	2,540	7,794,516
Prepayments	41		75,100	21	75,162
Other Investments	0		27,200	358	27,558
Property, plant and equipment	1,537		17,000	144	18,681
Tax Assets	144		5,000	358	5,502
Intangible Assets	85		200	2	287
Interest Rate Swaps	0		25,100		25,100
Right of Use Assets (Leases)	0		21,300	1,067	22,367
Total Assets	99,740	324,003	8,938,100	17,281	9,379,124
LIABILITIES					
Deposits	89,350	123,403	6,935,300		7,148,053
Borrowings	0	200,800	1,258,000		1,458,800
Trade and other payables	488		12,600	587	13,673
Other financial liabilities	0		22,600	0	22,600
Current Tax Liabilities	222		400		622
Provisions	202		13,400	1,075	14,677
Deferred tax liabilities	8		0		8
Lease Liabilities	0		27,600	1,204	28,804
Total Liabilities	90,268	324,003	8,267,900	2,866	8,685,037
Net Assets	9,472	0	670,200	14,415	694,087
Equity					
Reserves	448		186,900	14,415	201,763
Retained Earnings	8,819		483,000		491,819
Share Capital			300		300
Asset Revaluation reserve	205		0		205
Total Members' Equity	9,472		670,200	14,415	694,087

The following transactions and events had not occurred prior to 30 June 2023 but may take place subject to relevant regulatory, court and member approvals on or before the Implementation Date. The financial information in this Section 8.10 assumes that they occurred on or before 30 June 2023.

In addition, the following subsequent events and pro forma transactions will take place pursuant to the Scheme:

Subsequent events:

1. On 19 July 2023 Beyond Bank signed a Memorandum of Understanding with First Choice Credit Union Ltd ("FCCU") to accept a total voluntary total transfer of its business to the Company under the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth). FCCU is a Credit Union located in Orange NSW, with approximately 4,000 members, \$100m in assets, and members equity of approximately \$9m. The transfer is subject to the approval of both APRA and FCCU's members.
2. On 12 September 2023 Beyond Bank signed a Merger Implementation Agreement with AWA Mutual Limited (AWA) to implement a scheme of arrangement under Part 5.1 of the Corporations Act to transfer the control of AWA to Beyond Bank. Subsequently also completing a voluntary partial transfer of AWA related member loans, deposits and associated products and services from Bendigo and Adelaide Bank Limited. AWA is a former Credit Union located in Geelong Victoria with approximately 4000 members and member loan portfolio of \$320m and members equity of approximately \$14m. The transaction is subject to regulatory, court and AWA member approvals.

Pro forma transactions:

1. Total transfer of First Choice to Beyond Bank with \$110m in assets, member deposits \$89m and total members' equity \$9.4m.
2. Statutory Transfer of AWA member business from Bendigo including \$324m in loan balances and \$123m in deposits. Beyond Bank will raise approximately \$200m through funding options for the net difference.
3. Implementation of the Scheme to acquire approximately 4,000 members from AWA Mutual Limited and \$14m in members' equity.

8.10.8 Liquidity and capital resources

Beyond Bank is capitalised above minimum regulatory capital requirements. Beyond Bank's capital base is sufficient to cover the risk weighted assets being transferred to Beyond Bank. The Statutory Transfer will result in Beyond Bank's risk weighted assets increasing by an estimated \$129 million or 3.55% of Beyond Bank's risk weighted asset base. At the completion of the Statutory Transfer, Beyond Bank's Capital Adequacy ratio is estimated to be circa 17.20%

The impact of the Statutory Transfer on Beyond Bank's earnings is not expected to be material – a marginal increase in NPAT of \$0.2M (or 0.5%) based on forecast projections for the financial year ending 30 June 2024.

8.10.9 Critical Accounting Policies

Preparing financial statements in accordance with AAS requires Beyond Bank's management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

For a full description of Beyond Bank's critical accounting policies see Annexure H to this Scheme Booklet.

8.11 Dividend Policy

The payment of dividends by Beyond Bank is paid in accordance with Division 7 of the Beyond Bank Constitution, which states as follows.

7.1 Payment of Dividends

(1) Subject to the terms on which shares in a class are issued and any specific provisions in this Constitution relating to the payment of dividends on particular classes of shares, the board may determine that the company pay a dividend on shares to which a right to participate in dividends attaches and may determine:

- (a) the amount of the dividend;*
- (b) the time for payment of the dividend; and*
- (c) the method of payment of the dividend.*

The method of payment may include the payment of cash, the issue of securities and the transfer of assets. Where the company pays the dividend other than in cash, the board may fix the value of any securities issued or assets transferred.

(2) If the terms of issue for a share require the general meeting's approval to any payment of a dividend on the share, the board's determination under Subrule (1) is effective only if the general meeting approves the dividend before the time for payment of the dividend arrives. The general meeting may not vary the board's determination.'

In determining whether to declare future dividends, the Beyond Bank Directors will have regard to Beyond Bank's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that Beyond Bank will ever declare and pay a dividend.

8.12 Dividend History

Beyond Bank has not paid dividends on Beyond Bank Member Shares historically and does not have any intentions to do so in future.

Beyond Bank issued D Class as a result of a merger with United Credit Union in 2009 which are non-cumulative redeemable preference shares with no voting rights additional to those attributable to the holder's member share and are redeemable at the option of the Company. The dividend rate is determined by the Board every six months and paid annually. At 30 June 2023, there were 315,200 D Class shares on issue fully paid to \$1 per share (2022: 361,800). Historical dividends paid are:

2021 FY	\$9,099
2022 FY	\$3,622
2023 FY	\$10,242

8.13 Material change in Beyond Bank's financial position since the last published accounts (30 June 2023)

Within the knowledge of the Beyond Bank Directors and other than as disclosed in this Scheme Booklet including section 8 and the audited financial statements contained in this Section 8.10, there has not been any other material change in the financial position of Beyond Bank since 30 June 2023.

8.14 Intentions of Beyond Bank and the Combined Group

This section 8.14 outlines Beyond Bank's current intentions in relation to AWA and the Combined Group (assuming the Scheme is implemented), including in relation:

- the continuation of the business of AWA;

- any major changes to be made to the business of AWA; and
- the future employment of the present employees of AWA.

The statements set out in this section are formed on the basis of publicly available information as at the date of the Scheme Booklet as well as information made available in the course of due diligence carried out by each of AWA and Beyond Bank on the business of the other.

Except to the extent that Beyond Bank has made specific contractual commitments in the Merger Implementation Agreement and through the Deed Poll, these intention statements set out the current intention only, which may change as new information becomes available, as circumstances change or as the Combined Group further develops its strategic focus and outlook.

(a) **Name of Combined Group**

After the merger, Beyond Bank will continue to be known as 'Beyond Bank Australia Limited'. There will not be any change to name of the Combined Group as a result of the merger.

(b) **Operations of the Combined Group**

If the Scheme is implemented and subject to the matters set out below, it is intended that the business of AWA will be integrated into Beyond Bank's existing business and they will be continued substantially in the same manner as it is presently being conducted.

This will be facilitated by the Statutory Transfer of banking products and services offered to AWA Members, being transferred from Bendigo to Beyond Bank.

Importantly, under the terms of the Merger Implementation Agreement, Beyond Bank has committed to:

- honouring all pricing and fee waiver arrangements on existing AWA Member (deposit and loan) accounts that transition across. Any new products issued or services provided after the Scheme will however be subject to Beyond Bank's pricing framework;
- offer its "Life Membership" program (which includes additional fee waivers and interest rate benefits) to those AWA Members that have held an active account with AWA for more than 20 years (which currently represent approximately [43]% of AWA's total member base). The Beyond Tenure Adjustment (to be made as part of the Scheme Consideration) will ensure that existing tenure as an AWA Member will be recognised;
- AWA's Geelong branch (supporting Geelong, Warrnambool and Portland members) remaining open; opening an additional branch in the town centre of Portland (with AWA's branch that currently operates out of the aluminium smelter located at Point Danger to remain in operation and be maintained under an agency arrangement to ensure that former AWA Members are able to access financial services on site. The agency will be maintained for as long as the Portland aluminium smelter remains in operation and where access to premises continues to be granted. Operating hours will be subject to ongoing review based on demand for services. Beyond Bank has also agreed to consolidate AWA's Mandurah branch with Beyond Bank's existing Mandurah Branch (located less than one kilometre from AWA's existing branch);
- continue AWA's existing philanthropic partnerships, social impact lending and revenue share arrangements with AWA's community partner organisations in the short term, with a further one-off contribution of \$200,000 to AWA's philanthropic partnership program (via the Beyond Bank Australia Foundation).

Additionally, Beyond Bank has a superior digital banking platform (offering internet banking and mobile applications) and a far more extensive branch network with 48 locations spread across New South Wales (NSW), South Australia (SA), West Australia (WA), the Australian Capital Territory (ACT), and Victoria (VIC). Transitioning AWA Members will therefore have the benefit of access to these additional services and branches.

Investors are cautioned however that as with any statements of intention, intervening events and new circumstances have the potential to affect strategic plans and the Beyond Bank Board reserves the right to adjust its plans to respond to such events and circumstances.

(c) **Directors, management and employees**

Following the implementation of the Scheme, Beyond Bank will continue to be led by its CEO, Mr Jake Bromwich. AWA's current CEO (Mr Gavin Heathcote) will be offered a new executive management position within the Beyond Bank Group, to take effect from the Implementation Date.

The Beyond Bank Board (as it is currently constituted) will also operate as the governing board of the Combined Group. As AWA will become a wholly-owned subsidiary of Beyond Bank, the Board of AWA will be entirely re-constituted with all existing AWA Board members to resign and be replaced with persons nominated by Beyond Bank.

As such, the current AWA Board will not have an ongoing role in the management of the Combined Group. Two members of the current AWA Board will however serve as members of the Transaction Implementation Committee that will oversee integration for the 12 months following the Implementation Date.

In relation to all other AWA employees (including its senior management) Beyond Bank has committed (under the terms of the Merger Implementation Agreement) to offer all existing staff a role in the merged entity, the terms of which will be, at a minimum, equivalent to the existing terms and conditions of employment at AWA. AWA staff entitlements and length of service will be recognised for all AWA employees that accept roles at Beyond Bank.

(d) **Head office**

Beyond Bank currently has its head office located in Adelaide (South Australia). AWA's head office is located in Geelong (Victoria).

Following implementation of the Scheme, it is intended that the Beyond Bank head office will remain as the registered head office.

(e) **Dividend policy**

Refer to Sections 8.11 and 8.12 in relation to the dividend policy and dividend history of Beyond Bank.

Following implementation of the Scheme, it is intended that Beyond Bank will continue to not pay dividends on Beyond Bank Member Shares and continue to invest in competitive interest rates, fees and innovation supporting members financial needs.

(f) **Other changes**

Except as set out above, Beyond Bank does not have any current intentions to make any major changes to the business of AWA or to redeploy its fixed assets.

8.15 Rights and liabilities attaching to the New Beyond Bank Member Shares and other material provisions of the Beyond Bank Constitution

(a) **Introduction**

The rights and liabilities attaching to ownership of New Beyond Bank Member Shares arise from a combination of the Beyond Bank Constitution, statute and general law. A summary of the significant rights, liabilities and obligations attaching to the New Beyond Bank Member Shares and a description of other material provisions of the Beyond Bank Constitution are set out below. Table 1 of Annexure A also contains a comparative analysis of the Beyond Bank Constitution with the current AWA Constitution.

This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Beyond Bank Members.

Full details of the rights and liabilities attaching to Beyond Bank Member Shares (including the New Beyond Bank Member Shares) are set out in the Beyond Bank Constitution, a copy of which is available for inspection at Beyond Bank's registered office during normal business hours.

(b) **General meetings**

Each Beyond Bank Member is entitled to receive notice of, attend and vote at general meetings of Beyond Bank and to receive all notices, accounts and other documents required to be sent to a Beyond Bank Member under the Beyond Bank Constitution, Corporations Act.

Beyond Bank Members are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Beyond Bank. Beyond Bank Members may requisition meetings in accordance with section 249D of the Corporations Act and the Beyond Bank Constitution.

(c) **Voting rights**

At a general meeting of Beyond Bank, a resolution put to the vote at a general meeting must be decided on a show of hands unless a poll is demanded. On a show of hands, each member present in person and each other person present as a proxy or body corporate representative has 1 vote.

(d) **Dividends**

A holder of a member share has a right to participate in any dividend that the company pays only if the general meeting approves the payment of the dividend on member shares. Each member share carries a right to participate in dividends equally with every other member share.

(e) **Winding up**

If Beyond Bank is wound up, then subject to any rights or restrictions attached to a class of Beyond Bank Member Shares, any surplus must be divided amongst Beyond Bank's members in proportion to the number of Beyond Bank Member Shares held by them.

(f) **Transfer of Beyond Bank Member Shares**

Generally, a member may not transfer their member share, however a trustee for an unincorporated association may transfer the member share held as trustee for the unincorporated association to another person who is to act as trustee for the unincorporated association.

(g) **Issue of further Beyond Bank Member Shares**

The issue of any further Beyond Bank Member Shares is under the control of the Beyond Bank Board. Subject to restrictions on the issue or grant of securities contained in the Beyond Bank Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Beyond Bank Share or class of shares), the Beyond Bank Board may issue Beyond Bank Member Shares as it shall, in its absolute discretion.

(h) **Variation of class rights**

Beyond Bank's Constitution notes that subject to ensuring that the company continues to be a mutual entity for the purposes of the Corporations Act, the company may issue member shares, D class shares, MCIs, and notes, securities or instruments as deemed required by the board. Any variation of the rights attached to MCIs which constitute Common Equity Tier 1 Capital (as defined by APRA) of the company is subject to the prior written approval of APRA, if the variation may affect the eligibility of such MCIs for inclusion as Common Equity Tier 1 Capital of the company.

The company may issue more member shares at any time. The issue of more member shares does not vary the rights attached to member shares that the company has already issued.

(i) **Subscription price of Beyond Member Shares**

The Beyond Bank Constitution currently states that all Beyond Member Shares must be issued for a \$Nil subscription price.

Beyond Members will be asked to vote on a resolution at its upcoming 2023 AGM scheduled for 27 November 2023, to amend the relevant provision of the Beyond Bank Constitution to provide for an exception to this subscription price limitation, in circumstances where Beyond Bank issues Beyond Member Shares in the case of a members' scheme of arrangement or as consideration for the acquisition of a business or entity. In these cases, the Beyond Member Shares can be issued or deemed to be paid up to the subscription price(s) specified by the relevant transaction document for the scheme or acquisition or as otherwise determined by the Beyond Bank Board.

(j) **Demutualisation**

Beyond Bank's Constitution (at Appendix 5) also provides for a demutualisation process in circumstances where any resolution (or combination of resolutions) would result in:

- Beyond Bank ceasing to be an ADI that is mutual entity;
- the business of Beyond Bank being transferred to an entity that is not an ADI that is a mutual entity;
- Beyond Bank Member Shares becoming transferrable or capable of sale or assignment;
- a Beyond Member becoming entitled to hold more than one Beyond Member Share (subject to limited exceptions);
- a right to vote attaching to any share other than a Beyond Member Share or MCI;
- certain other triggers that relate to a transfer of Beyond Bank's business or to changes to the demutualisation provisions in Beyond Bank's Constitution.

To be eligible to vote on the demutualisation, a Beyond Bank Member must be a "qualifying member" (of more than 1 year's standing). The effect of the Beyond Tenure Adjustment will need to be considered in determining whether a transferring AWA Member will qualify.

Beyond Bank also has no current intention of demutualising.

(k) **Alteration of Beyond Bank Constitution**

In accordance with the Corporations Act, the Beyond Bank Constitution can only be amended by a special resolution passed by at least three quarters of Beyond Bank Members present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(l) **Directors – appointment and removal**

Under the Beyond Bank Constitution, the Beyond Bank Board is comprised of a minimum of 5 directors, comprising of elected directors and no more than three appointed directors. The board may also, in its discretion, appoint the company's chief executive officer to the board. If the company's chief executive officer is appointed as a director then that position will not be counted in determining the minimum number of directors.

The board may, by resolution at any time, appoint a person as an appointed director. The board may, by resolution at any time, appoint the company's chief executive officer as a director. The members may appoint a person to be an elected director by an election held by a secret ballot.

Subject to the Corporations Act and the Beyond Bank Constitution, the term of office of an appointed director or the chief executive officer as a director starts at the time of the board resolution appointing the person as a director and ends at the end of the term specified in the board resolution appointing the person as a director. Subject to the Corporations Act, the term of office of the chief executive officer as a director ends if and when the person ceases to be the chief executive officer of the company.

(m) **Directors – voting**

A resolution of the board must be passed by a majority of the votes cast by directors entitled to vote on the resolution. In the event of an equality of votes the resolution is not passed. The Chair does not have a casting vote in addition to his or her deliberative vote. Directors may vote on matters that relate to the director's interest.

(n) **Directors – remuneration**

Under the Beyond Bank Constitution, the board may determine the allocation of the aggregate amount of remuneration among the directors (excluding any employee director). If the board does not determine the allocation, the aggregate amount of remuneration must be allocated equally among the directors (excluding any employee director).

In any financial year for the company, the remuneration of directors (other than an employee director) may not exceed the aggregate amount last fixed by ordinary resolution at a general meeting.

In addition to any remuneration to which a director may be entitled, the company may also pay the director's travelling and other expenses that they properly incur in attending board meetings or any meetings of committees of directors; and in attending any general meetings; and otherwise in connection with the company's business. Subject to the Corporations Act, insurance premiums for a contract that insures the director against liabilities that the director incurs as an officer of the company may also be paid by the Company.

(o) **Powers and duties of Directors**

The business and affairs of Beyond Bank are to be managed by or under the direction of the Beyond Bank Board, which (in addition to the powers and authorities conferred on it by the Beyond Bank Constitution) may exercise all powers and do all things that are within Beyond Bank's power and the powers that are not required by law or by the Beyond Bank Constitution to be exercised by Beyond Bank in a general meeting.

(p) **Indemnities**

Beyond Bank, to the extent permitted by law, indemnifies each Beyond Bank Director against any liability that the indemnified person incurs in conducting the company's business or exercising the company's powers as an officer or agent of the company.

8.16 Other material information known to Beyond Bank

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is within the knowledge of any Beyond Bank Directors, that is material to the making of a decision in relation to the Scheme.

9. Potential risk factors

9.1 Introduction

Under the Scheme, AWA Members (other than Duplicate Members who will instead receive the Cash Consideration) will acquire 1 New Beyond Bank Member Share for each AWA Share transferred and consequently there will be a change to their overall investment risk profile. This section outlines a number of the risks that may arise from the Scheme and that may affect the performance of the Combined Group and the value of its shares. These risks include:

- risks relating to the Combined Group;
- risks to AWA Members if the Scheme does not proceed;
- general risks that are common to the existing AWA and Beyond Bank businesses; and
- risks affecting the general economy and stock market.

In making your decision on how to vote on the Constitutional Amendment at the General Meeting and on Scheme Resolution, you should read this Scheme Booklet carefully. You should carefully consider the risk factors outlined below and your individual circumstances. This section 9 is general in nature only and does not take into account your individual objectives, financial situation, taxation position or particular needs.

The outline of risks in this section 9 is a summary only and should not be considered exhaustive. No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by the Combined Group.

9.2 Risks associated with the Scheme

(a) Risks to AWA Members if the Scheme does not proceed

If the Scheme is not approved, the Scheme will not proceed and AWA will continue to operate as a standalone entity. If AWA wishes to continue to provide banking products and services to its members, it will be required to collaborate with Bendigo in a different way such as by seeking to become part of the Community Bank (Franchise) Model. It is uncertain that Bendigo will agree to this in the context of the Scheme not being implemented.

AWA Members will continue to hold AWA Member Shares and will not receive the Scheme Consideration. Additionally, where the AWA directors cannot reach agreement with Bendigo to allow AWA to continue to provide banking products and services to its members, AWA will have to cease to provide those products and services and it will in turn start the process to wind down AWA. Unless Bendigo otherwise agrees (which it is not obliged to do), all AWA members will become customers of Bendigo and their deposits and loans will migrate to Bendigo's core banking platform, and to Bendigo's products, as a consequence of the Alliance Agreement coming to an end.

However, it is important to recognise that by choosing to progress the Scheme, there may be insufficient time for AWA to agree an alternative with Bendigo (other than a winding-up) prior to termination of the Alliance Agreement. Further, Bendigo is under no obligation to further collaborate with AWA in respect of the continuation of its operations.

(b) Necessary approvals may not be granted, or may not be granted in time

As discussed elsewhere in this Scheme Booklet, there are a number of approvals (including from APRA in respect of the Statutory Transfer, and from AWA Members and the Court in respect of the Scheme) that must first be granted in order for the Scheme to be successful.

As with all schemes of arrangement, there is no guarantee that any of these approvals will be obtained, or that approvals from APRA or the Court will be on conditions that are acceptable to AWA and Beyond Bank.

There is also no guarantee that AWA Members will support the Scheme.

Additionally, the Merger Implementation Agreement has an End Date of 30 June 2024 (unless terminated earlier or otherwise amended by the parties, accordingly if all approvals and conditions

cannot be obtained and satisfied to enable the Scheme to be effected by the End Date, the Scheme will fail.

(c) Satisfaction or waiver of conditions precedent

Completion of the Scheme is subject to a number of conditions precedent. There can be no certainty, nor can AWA provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Scheme which are outside the control of AWA, including, but not limited to, approval of the Scheme by the Requisite Majority of AWA Members and required regulatory and third party approvals and consents (refer to section 11.2).

If for any reason the conditions to the Scheme Conditions are not satisfied or waived (where applicable) and the Scheme is not completed, the future of AWA will remain uncertain given the impending expiration of the Alliance Agreement in February 2025.

(d) Termination rights

AWA and Beyond Bank each have the right to terminate the Merger Implementation Agreement in the circumstances described in section 12.2 of this Scheme Booklet. As such, there is no certainty that the Merger Implementation Deed will not be terminated before the Scheme is implemented.

If it is terminated, AWA can provide no assurances that another party would be willing to offer the same or greater consideration for AWA Member Shares than that which is offered under the Merger Implementation Deed and the Scheme.

(e) Integration and employee transition risk

As with all mergers, the task of integration from an operational and employee perspective can be a material and challenging one. There is a risk that the parties have not identified all matters relevant to integration, or that unforeseen matters, delays or costs may arise.

There are risks that any integration of the businesses of AWA and Beyond Bank may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

Any failure by the Combined Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and position, and prospects, of the Combined Group.

However, Beyond Bank has a proven track record of successfully completing a number of other mergers.

(f) Loss of AWA brand and identity

If the Scheme proceeds, the Alliance Agreement with Bendigo will end, meaning that AWA will no longer be able to trade as "AWA Alliance Bank". AWA will be absorbed into the Beyond Bank operating structure and cease to have its own identity and brand. However, as the Alliance Agreement must come to an end by no later than February 2025, the loss of AWA's brand identity as "AWA Alliance Bank" would have occurred in any case, albeit that if the inferior Community Bank Model option had been chosen, a new brand including the words "AWA" could have been possible. However any AWA branch location would be a franchisee of Bendigo.

(g) Sunk transaction costs

AWA has already incurred expenses in connection with the Scheme and expects its total Scheme related expenses to be in the vicinity of \$600,000. The majority of these costs will be incurred irrespective of whether the Scheme succeeds or fails. There is no break fee provided for in the Merger Implementation Agreement, so these costs will remain with AWA.

(h) **Execution risk**

The proposed timeline for the Scheme may not be met. This may result in unforeseen and increased operational and transactional costs.

(i) **The merger will result in certain changes to member rights**

Each AWA Member will cease being a member of AWA on the Implementation Date and will become a Beyond Bank Member. Accordingly, the AWA Constitution will cease applying to you at that point and the Beyond Bank Constitution will apply instead. While member rights and obligations under the Beyond Bank Constitution will be materially similar to your rights and obligations under the AWA Constitution, there will be certain limited differences. Details of the material differences are set out in Annexure A of this booklet.

Whilst the AWA Constitution will also be amended to effect the Constitutional Amendment, this will only take effect if all of the other Scheme conditions have been met, and just prior to the Implementation Date, in order to facilitate the ability for Beyond Bank to receive the Scheme Shares and re-compose AWA's Board. As such, AWA's members will only be impacted by the Constitutional Amendment for a brief moment in time, after which only Beyond Bank (as the sole member) will be affected.

(j) **Financial Claims Scheme**

The merger will also impact the rights of a limited number of AWA members under the Federal Government's Financial Claims Scheme (**FCS**). When the merger takes effect, all deposits held by Bendigo (on behalf of AWA Members) will be held by Beyond Bank and the \$250,000 deposit guarantee of the FCS will apply to combined deposits held by Beyond Bank.

This will not impact you, if you do not have amounts on deposit with Bendigo (through the AWA Alliance Banking arrangement) and Beyond Bank, or if you do have amounts on deposit with both which are \$250,000 or less in total. If, however, you do have amounts on deposit with both Bendigo and Beyond Bank which are greater than \$250,000 in total, then when the merger takes effect you will lose the benefit of having two separate \$250,000 guarantees.

(k) **A Superior Proposal for AWA may yet emerge**

It is possible that a Superior Proposal for AWA, which is more attractive for AWA Members than the Scheme, may materialise in the future. The implementation of the Scheme would mean that AWA Members would not obtain the benefit of any such proposal.

The AWA Board is not currently aware of any such proposal and notes that since AWA and Beyond Bank announced the Scheme, there has been a significant period of time and ample opportunity for an alternative proposal for AWA which provides a different outcome for AWA Members to emerge.

Given the assessment of options and various discussions that have already taken place to date, the AWA Board do not consider it likely that a Superior Proposal will emerge.

(l) **Tax consequences for Scheme Participants**

If the Scheme proceeds, there may be tax consequences for Scheme Participants which may include tax payable on any gain on the disposal of AWA Member Shares. However, Scheme Participants should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to section 10 for a summary of potential taxation implications.

(m) **Change in risk profile and risks of membership in the Combined Group**

If the Scheme is implemented, there will be a change in the risk profile to which AWA Members are exposed. AWA Members are currently exposed to various risks as a result of their membership in AWA. If the Scheme is approved, AWA will become a wholly-owned Subsidiary of Beyond Bank and all AWA Members that are not already members of Beyond Bank, will become members of Beyond Bank.

As a consequence, AWA Members will be exposed to risk factors relating to Beyond Bank, and the integration of the two companies. In many cases, those risks are different from or additional to those

currently faced by AWA Members. The change in risk profile may be seen to be a disadvantage by some AWA Members.

(n) **Risks associated with the required payment by Beyond to Bendigo for Statutory Transfer**

As at 1 November 2023, Beyond Bank is holding \$200 million in liquid Investment Instruments in excess of its operational liquidity requirements in anticipation of, and to accommodate, the payment to Bendigo in respect of the Statutory Transfer. There is a risk that these excess liquid investment holdings and/or the required payment amount may change between 1 November 2023 and the date the payment is required to be made. While the potential changes in these amounts is not expected to be material, Beyond Bank is managing this risk by maintaining the alternative sources of funding detailed at sections 8.8(b) to (e).

9.3 Specific risks of the Combined Group

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

(a) **After the merger, Beyond Bank will have greater exposure to liabilities**

Beyond Bank will assume all of the assets and all of the liabilities of AWA, as well as those associated with AWA's customers that are being transferred from Bendigo to Beyond Bank via the Statutory Transfer. AWA Members will therefore be exposed to a wider range of and more liabilities, including all of the pre-merger activities of both AWA and Beyond Bank.

(b) **Capital adequacy**

As an APRA regulated entity, Beyond Bank is (and subsequently the Combined Entity will continue to be) subject to a range of liquidity and capital adequacy requirements prescribed by ASIC. To maintain compliance with these requirements, the Combined Entity will need to generate sufficient reserves to support business growth and undertake capital raising activities as required from time to time. There can be no certainty that the Combined Entity will be able to raise sufficient or generate capital within the timeframes required, on commercially reasonable terms or at all. If it cannot it may not be able to execute some or all of its business plans which will have a material adverse effect on the Combined Group.

In addition, under APRA's regulatory framework, the Combined Group will be required to hold a certain level of regulatory capital against its risk-weighted assets in order for such capital to absorb losses which it may incur from time to time and therefore protect depositors from realising such losses. The Combined Group will be required to maintain minimum capital ratios as well as maintain a capital conservation buffer. APRA also has discretion to apply an additional capital requirement to individual banks as well as a countercyclical buffer to all banks in certain circumstances. APRA has prescribed a minimum liquidity holding. Beyond Bank has developed risk management policies and controls. A failure to comply with these policies or controls could lead to a failure to comply with its regulatory capital requirements which would have a material adverse effect on the Combined Group.

(c) **Licences and approvals**

As at the date of this Scheme Booklet, Beyond Bank is an authorised deposit taking institution and holds an Australian Credit Licence and an Australian Financial Services Licence, which it requires to carry out its business.

The operation of the business by the Combined Group remains subject to Beyond Bank continuing to hold these licences and having other appropriate regulatory approvals. The suspension or cancellation of any of these licences, would prevent the Combined Group from operating all or some of its planned activities, which would have a material adverse effect on its business, financial performance and prospects.

(d) **APRA prudential oversight**

As an ADI, the Combined Group will be subject to APRA oversight. If it is unable to satisfy or continue to satisfy any requirements of APRA as to its operational capabilities, this may affect the Combined

Group's ability to achieve its objectives and may have a material adverse effect on the Combined Group's business, financial performance and prospects. However, Beyond Bank already operates within this framework is therefore accustomed to compliance with regulatory requirements.

(e) **Credit risk**

The Combined Group relies on its credit risk framework of processes and policies for controls on credit risk. A failure to comply with these processes, policies or controls may expose the Combined Group to greater than projected credit risk. If the Combined Group's customers do not pay the principal, interest and fees owing under their loans then it may experience a decrease in projected revenue, increase in projected expenses and a decrease in projected operating cash flows received which may have a material adverse effect on the Combined Group's business, financial performance and availability and cost of funding.

(f) **Interest rates**

Both AWA's and Beyond Bank's retail banking businesses are sensitive to interest rate movements and the Combined Group will be operating to relatively tight net interest rate margins. The increases in the cash rate set by the Reserve Bank of Australia has increased the cost of funding available, which is a key variable cost of business. The Combined Group may be unable to pass on an increase in interest rates to customers or continued increases in interest rates may decrease demand for loans. Interest rates and the cost of funding may have a material adverse effect on the Combined Group's business, financial performance and prospects.

(g) **Protection of intellectual property rights**

Beyond Bank has developed proprietary software and technology that are key assets for the successful operation of its business. The commercial value of Beyond Bank's intellectual property in software and technology (and its other intellectual property) depends on its ability to protect its intellectual property rights through operational procedures and legal protections such as registering trademarks, domain names, imposing confidentiality obligations on employees, consultants and third parties and initiating litigation against third parties for infringement of, or to establish the validity of, its intellectual property rights. If Beyond Bank fails to adequately protect its intellectual property rights, competitors may gain access to its intellectual property, which could have a material adverse impact on the Combined Group's business, financial performance and prospects.

9.4 **General risks common to a membership in AWA, Beyond Bank and the Combined Group**

The operating and financial performance of AWA, Beyond Bank and the Combined Group is (or will be) influenced by the general business and economic variables that impact upon all entities including changes in business and economic factors, such as interest rates, exchange rates, inflation, changes in national demographics, changes in governmental policy and changes to accounting or reporting standards.

(a) **Liquidity risk**

Liquidity risks could arise from the inability of the Combined Group to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on the Combined Group's ability to meet its obligations as and when they fall due.

(b) **Operational and cyber risk**

Operational risks and losses may result from fraud, inadvertent error by employees, failure to document transactions properly or to obtain proper internal authorisations or failure to comply with regulatory requirements or internal policies and procedures.

The business of the Combined Group depends on the efficient and uninterrupted operation of core IT infrastructure and systems. The Combined Group's core systems could be exposed to damage or interruption from system failures, computer viruses, cyber-attack, power or telecommunication providers' failure, fire, natural disasters, terrorist acts, war or human error. Any material interruptions to these systems would adversely impact the Combined Group's ability to operate its business and could result in business interruption, the loss of customers and revenue, damaged reputation and could therefore adversely affect the Combined Group's business, financial performance and prospects.

The Combined Group uses technologies which involve the collection of individual personal information. Through the ordinary course of its business, the Combined Group is potentially exposed to cyber-attacks, which have increased in prevalence globally during and since the COVID-19 pandemic. Cyber-attacks may lead to compromise or even breach of the technology platforms used by the Combined Group to protect confidential information. It is possible that the measures taken by the Combined Group (including system architecture, firewalls, a privacy policy and policies to restrict access to data to authorised employees) will not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information, whether malicious or inadvertent. There is a risk that any data security breaches, the Combined Group's inadvertent failure to protect confidential information or a successful cyber-security attack could result in a loss of information integrity, breaches of obligations of a Combined Group Member under applicable laws or customer or supplier agreements, system outages and the hacking of the Combined Group's digital assets and/or systems, each of which may potentially have a material adverse impact on the Combined Group's reputation and financial performance and prospects.

(c) **Competition**

Digital banking and lending are increasingly competitive markets. In addition to its direct competitors, the Combined Group's products will also compete against other sources of finance in the market, including from traditional bank and non-bank lenders. The Combined Group's competitors may seek to imitate its business strategies and/or attempt to aggressively take market share from the Combined Group. The level of current and future competition in the digital banking and lending and traditional bank lending market may have a material adverse effect on the Combined Group's business, financial performance and prospects.

(d) **Technological change**

The pace of technological change in the financial services sector in Australia has been rapid. Technological change has impacted all aspects of banks' businesses. Larger banks are able to invest significant sums on technological innovation as they seek to develop points of competitive advantage. If the Combined Group is unable to keep pace with technological changes in the sector it may fall behind its competitors.

(e) **Litigation risks**

The Combined Group is exposed to possible litigation risks including contractual disputes and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Combined Group's operations, financial performance and financial position.

(f) **Changes in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Combined Group, and consequent returns to members. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(g) **Regulatory risks**

The Combined Group's operational activities would be subject to extensive laws and regulations relating to numerous matters including taxation, employee relations, health and worker safety, financial regulation and other matters.

Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities.

(h) **Changes in laws and regulatory developments**

The financial services sector is undergoing a significant period of political and regulatory scrutiny. Future changes in laws and regulations in Australia may require changes to its business plan and model and may affect the performance of the Combined Group. The Australian federal government and/or state governments may implement legislation or regulations relating to or affecting taxation,

interest rates or personal privacy, or otherwise take actions which could have a material adverse effect on the Combined Group's business, financial performance and prospects.

(i) Failure to comply with laws and regulations

The Combined Group's activities are subject to laws and regulations, including the Banking Act, AML/CTF Act (including AUSTRAC reporting requirements) and the Privacy Act. If a Combined Group Member fails to comply with applicable laws and regulations, it could result in fines, the payment of compensation to affected parties or other legal or regulatory sanctions which could have a material adverse effect on the Combined Group's business, financial performance and prospects.

(j) Counterparty risk

Beyond Bank relies (and the Combined Group will rely) on third party providers to operate aspects of its business, for example to provide IT systems and platforms. If there is any disruption in the products or services provided by third parties, or a third party fails to comply with its contractual obligations, the Combined Group's business may be adversely affected.

(k) Dependence on key personnel

Beyond Bank relies (and the Combined Group will rely) on the talent and experience of its key management and staff who are needed for the successful operation of the business. It is essential that appropriately skilled persons, in sufficient numbers, are available to support the Combined Group's business. The departure of any number of key personnel may adversely impact the performance of the Combined Group's business, operations and financial performance.

(l) Downturn in the Australian economy

Due to a number of factors, including the war between Ukraine and Russia, high levels of inflation and rising interest rates, there is uncertainty in relation to both international and our domestic economy. The Combined Group may be adversely affected by a down-turn in the Australian economy, whether a recession or depression. Adverse movements in a range of macroeconomic factors including but not limited to the cash rate, the property market, the unemployment rate, economic growth rate, inflation rate and exchange rate, may impact the proposed business of the Combined Group.

A key risk facing banks in Australia relates to their funding costs. The structure of each bank's balance sheet, including whether their funding is sourced domestically or internationally, impacts their funding costs. The Combined Group's revenues and earnings will be dependent on economic activity and the level of financial services its customers will require. In particular, lending is dependent on various factors including economic growth, business investment, business and customer sentiment, levels of employment, interest rates and trade flows in Australia. It is expected that the Combined Group will conduct its business in Australia and, consequently, its performance will be influenced by the level and cyclical nature of lending in Australia. These factors are in turn impacted by both domestic and international economic conditions, natural disasters and political events.

A significant decrease in Australian housing valuations could adversely impact the Combined Group's forecast home lending activities because borrowers with loans in excess of their property value may show a higher propensity to default and in the event of defaults the Combined Group's Bank's security would be eroded, causing it to incur higher credit losses. The forecast demand for the Combined Group's home lending products may also be expected to decline due to buyer concerns about decreases in value.

(m) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Combined Group.

9.5 Other risks

Additional risks and uncertainties not currently known to AWA or Beyond Bank may also have a material adverse effect on AWA's or Beyond Bank's business and that of the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks to AWA, Beyond Bank or the Combined Group.

10. Australian tax implications

The following section contains a general overview of the Australian income tax including Capital Gains Tax (**CGT**), Goods and Services Tax (**GST**) and stamp duty (**Duty**) implications for certain Australian and foreign resident AWA Members of the proposed Scheme.

The overview applies to AWA Members who are Australian tax residents under Australian income tax law. This overview does not apply to AWA Members who:

- Hold their AWA Member Shares as revenue assets or as trading stock;
- Acquired their AWA Member Shares pursuant to an employee share scheme;
- Are entities that may be subject to special rules, such as tax exempt entities and superannuation funds; or
- Are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997 (ITAA 1997)* in relation to gains and losses on AWA Member Shares.

This is a general overview only of Australian tax law at the time of the release of this Scheme Booklet and should be read in conjunction with the rest of the Scheme Booklet. It is not intended to be an authoritative or complete statement of the laws applicable to the AWA Members and should not be relied upon by AWA Members as tax advice. AWA Members should obtain their own professional tax advice in regard to their specific circumstances.

AWA Members who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

10.1 Taxation consequences of Disposal of the AWA Member Shares

Under the Scheme, the AWA Members will dispose of their AWA Member Shares to Beyond Bank in exchange for Scheme Consideration, comprising of Cash Consideration (for Duplicate Members only) and/or New Beyond Bank Member Shares.

AWA Members will dispose of their AWA Member Shares to Beyond Bank under the Scheme for CGT purposes on the Implementation Date.

Capital gain or loss

A capital gain will be derived by the AWA Members if the capital proceeds from the disposal of the AWA Member Shares are more than the AWA Members' cost base in AWA Member Shares, and a capital loss will be incurred if the capital proceeds are less than the AWA Members' reduced cost base in AWA Member Shares.

AWA Members who derive a capital gain on AWA Member Shares which are exchanged for New Beyond Bank Member Shares may choose scrip-for-scrip roll-over relief (discussed below).

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain or net capital loss. In the event of net capital gain, it will be included in assessable income and is subject to income tax. If a net capital loss is incurred, it may not be deducted against other income for tax purposes but may be carried forward to offset against future capital gains.

Specific loss rules apply to AWA Members that are companies which may limit their ability to offset capital losses in a current or later income year.

Cost Base

An AWA Member's cost base in their AWA Member Shares will generally include the amount paid to acquire the AWA Member shares. An AWA Member's reduced cost base of the AWA Member Shares will be similarly determined.

Capital Proceeds

The Capital proceeds received by AWA Members for the disposal of their AWA Member Shares under the Scheme should be the value of the Scheme Consideration. As noted above under the Frequently asked questions section, a valuation of the New Beyond Bank Member Shares has not been ascertained due to the inherent difficulties in ascribing a value per share to a mutual entity.

CGT Discount

The CGT discount should be available to certain AWA Members who are either individuals, a complying superannuation fund, or trust.

If such an AWA Member acquired their AWA Member Shares at least 12 months prior to the Implementation Date, the amount of the capital gain (after being reduced for current year capital losses and prior year capital losses, if any) is reduced by the relevant CGT discount percentage. For individuals and trusts the CGT discount rate is 50% and for complying superannuation entities is 33.33%. No CGT discount is available for AWA Members that are companies.

Non-residents

Non-resident AWA Members should generally disregard any gains or losses arising on the disposal of their AWA Member Shares. Any gain, however, derived by a non-resident AWA Member, who at any time held their AWA Member Shares in carrying on a business at or through a permanent establishment in Australia, may be assessable in Australia.

Scrip-for-scrip roll-over relief

Australian resident AWA Members who would otherwise make a capital gain on exchanging their AWA Member Shares for New Beyond Bank Member Shares under the Scheme should be eligible to choose CGT scrip-for-scrip roll-over relief. If roll-over relief is chosen by the AWA Members, the capital gain that they would otherwise make on the disposal of those AWA Member Shares will be disregarded.

Where an AWA Member chooses scrip-for-scrip roll-over relief, the cost base of the New Beyond Bank Member Shares received in exchange for those AWA Member Shares will be the cost base of the AWA Member Shares. Further, the replacement New Beyond Bank Member Shares will be taken to have been acquired on the date of acquisition of the original AWA Member Shares for the purposes of determining eligibility for the CGT discount on the future disposal of the New Beyond Bank Member Shares.

An AWA Member will provide sufficient evidence of having chosen scrip-for-scrip roll-over relief by the way they prepare their income tax return (i.e. by excluding the disregarded capital gain from assessable income). There is no requirement for a separate notice to be lodged with the ATO. However, it is considered prudent to keep on file a record of the choice made.

AWA Members should seek professional taxation advice which considers their individual circumstances before making an election.

If CGT roll-over relief is not chosen

If an AWA Member incurs a capital loss or derives a capital gain on receiving the Scheme Consideration but does not choose roll-over relief, the cost base of the New Beyond Bank Member

Shares received under the Scheme will be the market value of the AWA Member Shares exchanged on the Implementation Date.

An AWA Member who makes a capital gain where roll-over is not chosen, should be able to treat the capital gain as a discount capital gain provided that certain conditions are met, including that the AWA Member Shares that were disposed of must have been acquired by the AWA Members at least 12 months prior to the Implementation Date.

The New Beyond Bank Member Shares will be acquired for CGT purposes on the Implementation Date. This date will be relevant for the purposes of qualifying for the CGT discount upon future disposal of the New Beyond Bank Member Shares.

10.2 Stamp Duty

No stamp duty should be payable by AWA Members on the disposal of their AWA Member Shares under the Scheme or on the acquisition of the New Beyond Bank Member Shares under the Scheme.

10.3 GST

No GST will be payable by AWA Members in respect of the disposal of their AWA Member Shares or the acquisition of New Beyond Bank Member Shares under the Scheme.

AWA Members may be charged GST on taxable supplies from third party suppliers (including advisor fees) that relate to their participation in the Scheme. AWA Members may be entitled to input tax credits for such costs, but this will depend on the AWA Member's personal circumstances. Accordingly, AWA Members should seek independent professional advice in relation to these matters.

11. Implementing the Scheme

This section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Scheme.

You are entitled to participate in the Scheme if you are a Scheme Participant, being an AWA Member recorded on the AWA Register as at 7.00pm (AEDT) on the Scheme Record Date.

If the Scheme is implemented, all Scheme Participants, together with AWA and Beyond Bank (via the Deed Poll) will be bound by the Scheme.

11.1 Actions already undertaken by AWA and Beyond Bank

AWA and Beyond Bank entered into the Merger Implementation Agreement on 12 September 2023 in which they agreed (among other things) their respective obligations in implementing the Scheme. The key terms of the Merger Implementation Agreement not otherwise addressed in this section, are summarised in section 12. A full copy of the Merger Implementation Agreement is available on AWA's website (www.awaalliancebank.com.au). Since signing the Merger Implementation Agreement, AWA and Beyond Bank have undertaken the following activities to progress the implementation of the Scheme.

(a) Appointment of Independent Expert

AWA commissioned the Independent Expert, Lonergan Edwards & Associates Limited, to prepare a report on whether the Scheme is in the best interests of AWA Members.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is reasonable and in the best interests of AWA Members. In reaching this conclusion, the Independent Expert has concluded that the Scheme is 'reasonable', but has formed the view that it is not possible to assess the market value of a membership interest in either AWA or Beyond and that as a consequence, it is not relevant, meaningful or possible to form a view on whether the Scheme is 'fair'.

The Independent Expert's Report is set out in Annexure B of this Scheme Booklet.

(b) Execution of Deed Poll by Beyond Bank

On 15 November 2023, Beyond Bank executed the Deed Poll in favour of each Scheme Participant, pursuant to which Beyond Bank covenants to perform its obligations under the Merger Implementation Agreement and the Scheme. The key obligation of Beyond Bank under the Scheme is to issue or pay the Scheme Consideration to each Scheme Participant, subject to satisfaction of the Scheme Conditions.

The Deed Poll may be relied upon by a Scheme Participant, despite the fact that they are not a party to it, and each Scheme Participant appoints AWA as its agent to enforce their rights under the Deed Poll against Beyond Bank.

The Deed Poll is governed by the laws of New South Wales.

A copy of the Deed Poll is set out in full at Annexure D of this Scheme Booklet.

(c) Lodgement of draft Scheme Booklet with ASIC

On 8 November 2023, AWA lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. On 12 December 2023, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

AWA has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

Neither ASIC, nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

(d) First Court Hearing and Scheme Meeting

On 1 December 2023, the Federal Court (Melbourne Registry) ordered AWA to convene a meeting of AWA Members to consider and vote on the Scheme. The Scheme Meeting to consider the Scheme will be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 on Monday, 29 January 2024. The Scheme Meeting will commence at 6.00pm (AEDT).

For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting. Details of how to vote at the Scheme Meeting are set out at the beginning of this Scheme Booklet in the section entitled "Meeting details and how to vote".

Additionally, if you wish to approve the Scheme, you must also vote in favour of the Constitutional Amendment at the General Meeting. The General Meeting will commence 10 minutes after the closing of the Scheme Meeting.

A copy of the Notice of Scheme Meeting is set out in Annexure E of this Scheme Booklet.

A copy of the Notice of General Meeting will be sent to all AWA Members. Details of the Constitutional Amendment proposed are set out in Table 2 of Annexure A of this Scheme Booklet. These amendments are necessary to facilitate and permit the Scheme.

The fact that under section 411(1) of the Corporations Act the Court ordered on 1 December 2023 that a meeting of AWA Members be convened by AWA to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how AWA Members should vote (on this matter, AWA Members must reach their own decision); or
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

11.2 Scheme Conditions

Implementation of the Scheme is subject to satisfaction of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 3.1 of the Merger Implementation Agreement.

Certain Scheme Conditions set out in the Merger Implementation Agreement (**MIA**) have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

For the Scheme to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the table below (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, AWA is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. AWA Members will receive an update on the status of the Scheme Conditions at the Scheme Meeting.

AWA will announce any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied. These details will be published on AWA's website (www.awaalliancebank.com.au/future).

Scheme Condition		Due Date
1.	<p>No Regulator Initiated Action</p> <p>There must be no Regulator Initiated Action with respect to either AWA or Beyond Bank.</p> <p>'Regulator Initiated Action' is defined to mean: any action taken by a Regulatory Authority in respect of any non-compliance, including:</p>	<p>Before 5.00pm on the Business Day before the Second Court Date</p>

Scheme Condition	Due Date
<ul style="list-style-type: none"> • the commencement of any investigation, prosecution or proceedings; • the issue of any infringement notices, fines or penalties; • the issue of any product intervention orders or stop orders; • the suspension, cancellation or variation of any licences, permits or approvals; • temporary or permanent ban from a company or its senior executives engaging in activities; • any other enforcement or disciplinary action or any other regulatory intervention, <p>that results, or is likely to result in, a loss of \$1,500,000 or more to a party.</p>	
<p>2. AWA Member Approval - Scheme</p> <p>AWA Member's to approve the Scheme by the Requisite Majorities, with the Scheme Meeting to occur on Monday, 29 January 2024.</p>	29 January 2024
<p>3. AWA Member Approval - Constitutional Amendment</p> <p>AWA Member's to approve the Constitutional Amendment by passing the necessary special resolution at the General Meeting to occur on Monday, 29 January 2024.</p>	29 January 2024
<p>4. Court approval</p> <p>The Court must approve the Scheme either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably).</p>	Second Court Date
<p>5. Approval of Statutory Transfer</p> <p>APRA has provided its approval to the Statutory Transfer, subject only to the Court's final approval of the Scheme, and otherwise on terms and conditions acceptable to the parties (acting reasonably).</p>	Before 5.00pm on the Business Day before the Second Court Date
<p>6. ATO Comfort Letter</p> <p>Beyond Bank receives a letter issued by the ATO in respect of the taxation treatment of the Statutory Transfer to the effect that the ATO will administer the income tax laws in a way that should result in no adverse income tax implications for AWA or Beyond Bank (post the Scheme), subject to the applicable laws not being amended in a way that impacts the income tax outcomes set out in that letter (the ATO Comfort Letter).</p>	Before 5.00pm on the Business Day before the First Court Date
<p>7. No restraints</p> <ul style="list-style-type: none"> • there are no restraints, injunctions or similar (temporary or otherwise) issued by any court or other regulatory authority, or other material legal restraint or prohibition; • no action or investigation is announced, commenced or threatened by any regulatory authority; and • no application is made to any Regulatory Authority, <p>in consequence of, or in connection with, the Scheme which:</p> <ul style="list-style-type: none"> • restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the 	Between the date of the MIA and 8.00am on the Second Court Date

Scheme Condition		Due Date
	<p>Transaction or the rights of Beyond Bank in respect of AWA or the AWA Shares to be acquired under the Scheme; or</p> <ul style="list-style-type: none"> requires the divestiture by Beyond Bank of any AWA Member Shares or the divestiture of any assets of the Beyond Bank Group or of AWA, unless such order, injunction, decision, decree, action, investigation or application has been disposed of, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date. 	
8.	<p>No AWA Prescribed Event</p> <p>No AWA Prescribed Event¹¹ occurs.</p>	Between the date of the MIA and 8.00am on the Second Court Date
9.	<p>No Beyond Bank Prescribed Event</p> <p>No Beyond Bank Prescribed Event¹² occurs.</p>	Between the date of the MIA and 8.00am on the Second Court Date
10.	<p>No AWA Breach</p> <p>AWA is not in breach, in any material respect, of its obligations in respect of the implementation of the Scheme, or any of its other obligations under the MIA.</p>	At 8.00am on the Second Court Date
11.	<p>No Beyond Bank Breach</p> <p>Beyond Bank is not in breach, in any material respect, of its obligations in respect of the implementation of the Scheme, or any of its other obligations under the MIA.</p>	At 8.00am on the Second Court Date
12.	<p>No AWA Claims</p> <p>None of AWA or any of its directors is aware of any claims, including without limitation a warranty claim, pending or threatened against AWA which exceed or are likely to exceed \$1,500,000.</p>	Between (and including) the date of the MIA and 8.00am on the Second Court Date
13.	<p>No Beyond Bank Claims</p> <p>None of Beyond Bank or any of its respective directors is aware of any claims, including without limitation a warranty claim, pending or threatened against Beyond Bank which exceed or are likely to exceed \$1,500,000.</p>	Between (and including) the date of the MIA and 8.00am on the Second Court Date

11.3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme is approved at the Scheme Meeting, AWA intends to apply to the Court for the necessary orders to give effect to the Scheme.

¹¹ Refer to Schedule 3, Parts 1 and 2 of the Merger Implementation Agreement at Annexure G

¹² Refer to Schedule 3, Parts 1 and 2 of the Merger Implementation Agreement at Annexure G.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of AWA Members.

Each AWA Member has the right to appear at Court at the hearing of the application by AWA for orders approving the Scheme. Any AWA Member who wishes to object to the Scheme at that Court hearing or make a complaint to ASIC about the Scheme should note that the Court hearing for approval of the Scheme was held on 1 December 2023. The Court has an overriding discretion regarding whether or not to approve the Scheme, even if the Scheme is approved by the Requisite Majority of AWA Members at the Scheme Meeting.

11.4 Scheme Meeting

The Scheme Meeting to consider the Scheme is scheduled to be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 on 29 January 2024. The Scheme Meeting will commence at 6.00pm (AEDT).

The Court has ordered that AWA convene the Scheme Meeting for the purposes of the AWA Members voting on the Scheme. The order of the Court to convene the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Scheme.

For the Scheme to be implemented, it is necessary that the Requisite Majority of AWA Members vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the Scheme Resolution, votes in favour of the Scheme must be cast by:

- (a) more than 50% in number of AWA Members present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by AWA Members.

Voting is not compulsory. However, the AWA Directors unanimously recommend that AWA Members vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members.¹³

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of AWA Members and the Court. If this occurs, your AWA Member Shares will be transferred to Beyond Bank and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

You will be entitled to attend and vote at the Scheme Meeting (and the General Meeting) if you are registered as an AWA Member on the AWA Register as at 7.00pm (AEDT) on 27 January 2024.

AWA has only one class of shares on issue, being the AWA Member Shares. All AWA Members entitled to vote will vote as one class at the Scheme Meeting. AWA has no options or option holders.

None of Beyond Bank, its associates, or any Beyond Bank Director has any right to vote at the Scheme Meeting.

11.5 General Meeting and Constitutional Amendment

The AWA Constitution currently provides that AWA Member Shares are not transferable and limits the number of shares that may be held by an AWA Member to one. These limits must be removed in order for the Scheme to proceed. Additionally, it also provides a procedure for nominating directors to the AWA Board and a requirement to the effect that a person must first be an AWA Member to qualify as a director of AWA. These requirements will no longer be appropriate once Beyond Bank is the sole shareholder of Beyond Bank.

It is proposed that upon implementation of the Scheme, Beyond Bank will own 100% of the AWA Member Shares. Accordingly, this restriction must be removed to enable the Scheme to be implemented. AWA has convened the General Meeting to amend the AWA Constitution to remove the

share transfer restriction, shareholding limit, the director share qualification requirement and the director nomination process.

The only business of the General Meeting is to consider, and if thought fit, to approve the Constitutional Amendment. The resolution to be considered at the General Meeting is set out in full in the Notice of General Meeting which is to be sent to AWA Members together with this Scheme Booklet.

AWA Shareholders who are registered on the AWA Register at 7.00pm (AEDT on Saturday, 27 January 2024) may vote at the Meeting in person, by attorney, by proxy or, in the case of corporations, by corporate representative, or online in the same manner as applicable to the Scheme Meeting.

The Constitutional Amendment must be approved by at least 75% of the total number of votes cast on the resolution at the General Meeting by AWA Shareholders entitled to vote.

The Constitutional Amendment will only be made if the Scheme becomes Effective.

The AWA Directors unanimously recommend that AWA Shareholders vote in favour of the Constitutional Amendment at the General Meeting. In making this recommendation, the AWA Directors note that the Constitutional Amendment is necessary before the Scheme can proceed and repeat their recommendation that you should vote in favour of the Scheme, in the absence of a Superior Proposal.

Additionally, each AWA Director who holds AWA Shares, or on whose behalf AWA Shares are held at the time of the General Meeting, intends to vote in favour of the Constitutional Amendment.

11.6 Steps after approval of the Scheme by AWA Members at the Scheme Meeting but before the Second Court Date

If the Requisite Majority of AWA Members approve the Scheme at the Scheme Meeting (and approve the Constitutional Amendment at the General Meeting), AWA will, as soon as possible after the Scheme Meeting is held, announce the results of the AWA Members' on AWA's website (www.awaalliancebank.com.au/future).

11.7 Steps after Court approval at the Second Court Hearing

AWA and Beyond Bank have agreed that, if the Court makes orders approving the Scheme, AWA and Beyond Bank will take or procure the taking of the steps required for the Scheme to proceed, including:

(a) Scheme Record Date

AWA Members will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of AWA Member Shares at 7.00pm (AEDT) on the Scheme Record Date. The Scheme Record Date is expected to be 23 February 2024.

Dealings on or prior to the Scheme Record Date

For the purposes of determining which AWA Members are eligible to participate in the Scheme, and for the purposes of determining entitlements under the Scheme, AWA will not accept for registration or recognise any applications for membership in respect of AWA Member Shares received after the Scheme Record Date.

Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, AWA must maintain the AWA Register in its form as at the Scheme Record Date until the Scheme Consideration has been provided to the Scheme Participants. The AWA Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- (i) all statements of holding for AWA Member Shares (other than statements of holding in favour of Beyond Bank) will cease to have effect as documents relating to title in respect of such AWA Member Shares; and

- (i) each entry on the AWA Member Register (other than entries on the AWA Register in respect of Beyond Bank) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the AWA Member Shares relating to that entry.

(b) Effective Date

If the Court approves the Scheme, AWA will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court order approving the Scheme. AWA intends to lodge the office copy of the Court order with ASIC on the Effective Date, which is expected to be 16 February 2024.

If the Scheme Conditions are satisfied or waived, the Scheme will legally come into effect on the Effective Date.

If a Scheme has not become Effective on or before the End Date (being 30 June 2024), or such later date as AWA and Beyond Bank agree in writing, the Scheme will lapse and be of no further force or effect.

(c) Transfer of AWA Member Shares

If the Scheme becomes Effective, on the Implementation Date:

- (ii) all AWA Member Shares held by Scheme Participants will be transferred to Beyond Bank without any further action required by Scheme Participants;
- (iii) AWA will enter the name of Beyond Bank into the AWA Register in respect of the AWA Member Shares; and
- (iv) AWA will then become a wholly-owned Subsidiary of Beyond Bank and the AWA Board will be reconstituted so that it comprises persons nominated by the Beyond Bank Board.

(d) Issue of New Beyond Bank Member Shares

If the Scheme becomes Effective, on the Implementation Date the New Beyond Bank Member Shares to which Scheme Participants are entitled under the Scheme will be issued to Scheme Participants (other than Duplicate Members).

A summary of the rights attaching to New Beyond Bank Member Shares is set out in section 13.5. A comparison between the AWA Constitution and the Beyond Bank Constitution is also provided at Table 1 of Annexure A.

It is expected that all AWA Members who receive New Beyond Bank Member Shares will:

- (v) have their names entered on the Beyond Bank Register on the Implementation Date; and
- (vi) will receive from Beyond Bank a Welcome Letter and Financial Services Guide, to be sent to the Registered Address of each Scheme Participant by no later than 5 Business Days after the Implementation Date.

For further information regarding the New Beyond Bank Member Shares to be issued, refer to section 13.5.

(e) Payments to Duplicate Members

As the Duplicate Members are already shareholders of Beyond Bank, they will not receive any additional New Beyond Bank Member Shares but will instead receive the Cash Consideration of \$10.00 per AWA Share transferred. This effectively returns the subscription paid they paid for their AWA Member Share, which will put them in the same position as all other AWA Members after the Scheme (in that they will have only one subscription price held on their behalf by Beyond Bank).

Details as to how payment of the Cash Consideration will be made, and how any interest, withholding or unclaimed monies will be dealt with, are set out in detail at section 6.8.

12. Key terms of the Merger Implementation Agreement

AWA and Beyond Bank entered into the Merger Implementation Agreement on 12 September 2023. The Merger Implementation Agreement sets out the obligations of AWA and Beyond Bank in relation to the Scheme.

The AWA Directors consider that the Merger Implementation Agreement was entered into on arm's length commercial terms having regard to the fact that AWA undertook an assessment of any alternative strategic options available to it, and the fact that there is no existing relationship between it and Beyond Bank. In making the above statement, the AWA Directors note that AWA Members are being given the opportunity to consider and vote on whether the Merger is implemented at the Scheme Meeting.

This section sets out a summary of the key terms and conditions of the Scheme Implementation Deed that are not otherwise addressed in this Scheme Booklet.

12.1 Scheme Conditions under the Merger Implementation Agreement

The Scheme is subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to section 11.2 for further details.

12.2 Termination

This section sets out the circumstances in which the Merger Implementation Agreement (and hence, the Scheme) may be terminated.

AWA and Beyond Bank termination rights

Either Beyond Bank or AWA may terminate the Merger Implementation Agreement:

- (a) **(failure of Conditions Precedent)** if a Condition Precedent is not satisfied by the required time, or (if the Condition Precedent is capable of waiver), it has not otherwise been waived by the required time. Certain Conditions Precedent (such as AWA Member approval, Court approval and APRA approval for the Statutory Transfer, cannot be waived);
- (b) **(End Date)** if the Scheme has not become Effective on or before the End Date (being the earliest of:
 - (i) the date of termination of this document in accordance with its terms; or
 - (ii) 30 June 2024, or such other date as is agreed in writing by Beyond Bank and AWA);
- (c) **(Material breach)** if at any time prior to 8.00am on the Second Court Date, if the other is in material breach of a term of this document (provided that if the breach involves any representation and warranty not being true and correct the amount of any warranty claim (alone or in aggregate) is reasonably assessed by the non-defaulting party to be no more than \$1,500,000), provided that Beyond Bank or AWA (as the case may be) has, if practicable, given notice to the other setting out the relevant circumstances and the relevant circumstances continue to exist five Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the time such notice is given;
- (d) **(Regulatory action)** if a court or Regulatory Authority takes any action that is reasonably likely to prevent, permanently restrain or materially hinder the Scheme reaching Implementation, and the action has become final and cannot be appealed or reviewed;
- (e) **(Statutory Transfer)** if either party becomes aware of any fact, matter or circumstance which indicates that the Statutory Transfer is unlikely to proceed (including without limitation due to any regulatory matter, or any timeframe or provision of the Alliance Agreement);
- (f) **(Lapse)** if the Scheme lapses for any reason, including non-satisfaction of a Condition Precedent where the parties have been unable to reach agreement; and
- (g) **(mutual agreement)** if agreed to in writing by both parties.

Beyond Bank termination rights

In addition to the circumstances set out above, Beyond Bank may terminate the Merger Implementation Agreement if:

- (h) **(AWA Prescribed Event)** at any time prior to the End Date, an AWA Prescribed Event occurs;
- (i) **(Lack of support)** at any time prior to 8.00am on the Second Court Date (subject always to clauses 6.1(b) and 6.1(c) of the MIA setting out the circumstances where the AWA Directors are not required to recommend the Scheme):
 - (i) any AWA Director fails to recommend the Scheme or changes its recommendation to the Scheme Participants that they vote in favour of the resolution to approve the Scheme, including any adverse modification to its recommendation, unless the Independent Expert has determined that the Scheme is not in the best interests of AWA Members and there is no Superior Proposal;
 - (vii) any AWA Director states that they do not intend to vote in favour of the Scheme in respect of AWA Member Shares that they own or control; or
 - (viii) any AWA Director otherwise makes a public statement indicating that they no longer support or recommend the Scheme, or recommending, supporting or endorsing another transaction (including any Competing Transaction).

AWA's Directors are not required to recommend that AWA Members vote in favour of the Scheme if:

- (ii) the Independent Expert does not conclude, and continue to conclude, that the Scheme is in the best interests of AWA Members; and
- (iii) there is a Superior Proposal;
- (iv) the AWA Board becomes aware of any fact, matter or circumstance which indicates that the Statutory Transfer is unlikely to proceed (including without limitation due to any regulatory matter, or timeframe or provision of the Alliance Agreement).

AWA termination rights

In addition to the circumstances set out above, AWA may terminate the Merger Implementation Agreement if:

- (j) **(Competing Transaction)** at any time prior to 8.00am on the Second Court Date, the AWA Board determines that a Competing Transaction, that was not solicited, invited, encouraged or initiated in breach of exclusivity obligations in the MIA, is a Superior Proposal; or
- (k) **(Beyond Bank Prescribed Event)** at any time before the End Date, a Beyond Bank Prescribed Event occurs.

12.3 Exclusivity

The Merger Implementation Agreement contains exclusivity provisions which restrict the ability of AWA to solicit, complete or facilitate an alternative transaction to the Transaction during the Exclusivity Period. This includes customary no-shop and no-talk restrictions and the cessation of any negotiations for, or facilitating access to due diligence information in respect of, any Competing Transactions.

These restrictions are subject to customary fiduciary exceptions that permit AWA to consider a Competing Transaction (which was not solicited, invited, encouraged or initiated by AWA) where the AWA Board has determined, in good faith that it is bona fide, and (after consultation with its advisers and receipt of written advice from its legal advisers) that it is, or would reasonably be expected to become, a Superior Proposal, and failing to respond to such a genuine Competing Transaction

would be likely to constitute a breach of the AWA Board's fiduciary or statutory obligations or AWA's obligations under the Corporations Act.

AWA must also notify Beyond Bank of any unsolicited approaches in relation to a potential Competing Transaction, within 48 hours of the approach.

12.4 Beyond Bank's matching right

If, acting in good faith, the AWA Board (after consulting its Advisers), concludes that the Competing Transaction is or may be a Superior Proposal due to statutory or fiduciary obligations, then AWA must notify Beyond Bank of the material terms and conditions of the Competing Transaction and grant Beyond Bank at least five Business Days to provide a matching or Superior Proposal.

AWA may only proceed with the Superior Proposal, if Beyond Bank has not offered AWA a matching or superior proposal within that five Business Day period.

Beyond Bank's matching right is re-enlivened in respect of each successive modification of an actual, proposed or potential Competing Transaction.

If a Beyond Bank counterproposal is more favourable, then AWA and Beyond Bank must use reasonable endeavours to agree to amendments that reflect the Beyond Bank counterproposal and if applicable, incorporate them into the Scheme and Deed Poll. AWA must also use reasonable endeavours to procure that each of the AWA Directors continue to recommend the Scheme (as modified by the Beyond Bank counterproposal).

12.5 Amendments to the Merger Implementation Agreement

The Merger Implementation Agreement may only be varied by a document signed by or on behalf of each AWA and Beyond Bank.

12.6 Representations and warranties

Each of AWA and Beyond Bank have given representations, warranties and covenants to the other, including a warranty from Beyond Bank in favour of AWA, that there are no matters, facts or circumstances arising from the FCCU Merger, known to Beyond Bank, which would, or would be likely to, adversely impact Beyond Bank's ability to perform its obligations under this Agreement, the Deed Poll or the Scheme.

The representations, warranties and covenants given by each of AWA and Beyond Bank are set out in full at Schedules 2 and 3 of the Merger Implementation Agreement.

12.7 Indemnities

Under the Merger Implementation Agreement, each of AWA and Beyond Bank indemnifies the other, against all losses incurred directly or indirectly as a result of any of the representations and warranties given by it to the other, not being true and correct in all material respects.

Beyond Bank also:

- (a) indemnifies AWA in respect of any stamp duty and registration fees payable or assessed as being payable in connection with the Merger Implementation Agreement or any other transaction contemplated by it, including any Statutory Transfer, fees, fines, penalties and interest in connection with any of those amounts; and
- (b) (subject to the Scheme becoming Effective and to applicable law (including the Corporations Act and the Banking Act)), undertakes in favour of AWA and each of its officers that it will procure that AWA complies with any deeds of indemnity, access and insurance made in favour of them and ensure that the directors' and officers' run-off insurance cover for those officers is maintained, for a period of seven years from the retirement date of each officer.

13. Additional information

13.1 Introduction

This section 13 sets out additional information required to be disclosed to AWA Members pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to AWA Members.

13.2 Interests of AWA Directors in AWA and Beyond Bank

As at the date of registration of this Scheme Booklet with ASIC:

- (a) the AWA Directors held interests as members of AWA as set out in Section 7.5; and
- (b) no AWA Director (or person on behalf of an AWA Director) holds a membership of Beyond Bank.

The AWA Directors have not acquired or disposed of a Relevant Interest in AWA Member Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

AWA Directors who are AWA Members will be entitled to receive New Beyond Bank Member Shares in accordance with the terms of the Scheme.

13.3 Interests of Beyond Bank Directors in Beyond Bank and AWA

As at the date of registration of this Scheme Booklet with ASIC:

- (a) no Beyond Bank Director is also a director or other related party of AWA;
- (b) no Beyond Bank Director holds an interest in any contract entered into by Beyond Bank or by AWA;
- (c) no Beyond Bank Director holds (directly or indirectly) any AWA Member Shares or other securities or interests in AWA; and
- (d) Beyond Bank Directors are required to be a member as per rule 13.2 of the Beyond Bank Constitution and therefore each Beyond Bank Director holds one Beyond Bank Member Share as shown below:

Director	Beyond Bank Member Shares ¹
Sandra (Sam) Anderson - Chair	1
Joanne (Jodie) Baker - Director	1
Daryl Johnson - Director	1
Trent Bartlett - Director	1
Steven (Steve) Coles - Director	1
John Evans - Director	1

Notes:

In accordance with the Beyond Bank Constitution, each Beyond Bank Member may not hold more than 1 Beyond Bank Member Share. Accordingly, there are no substantial shareholders and provision of information in relation to holding percentages is not useful.

Other than as described above, no Beyond Bank Director has acquired or disposed of a Relevant Interest in any Beyond Bank Member Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

13.4 Interests of Beyond Bank and AWA

As at the date of this Scheme Booklet, neither AWA nor any of its Associates has a Relevant Interest in a membership in Beyond Bank.

Except as set out above, during the four months before the date of this document, neither Beyond Bank nor any Associate of Beyond Bank has:

- (a) provided, or agreed to provide, consideration for any AWA Member Shares; or
- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of AWA Member Shares which benefit is not offered to all AWA Members under the Scheme.

13.5 Rights attaching to New Beyond Bank Member Shares

If the Scheme becomes Effective, each Scheme Participant (other than Duplicate Members), will receive 1 New Beyond Bank Member Share for every 1 AWA Member Share they hold as at 7.00pm (AEDT) on the Scheme Record Date.

The New Beyond Bank Member Shares issued as Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing Beyond Bank Member Shares.

A summary of the principal rights attaching to Beyond Bank Member Shares and other material provisions of the Beyond Bank Constitution is included at section 8.15.

Full details of the rights attaching to Beyond Bank Member Shares are set out in Beyond Bank's company Constitution, a copy of which is available for inspection at the Beyond Bank's registered office during normal business hours or online at www.beyondbank.com.au/about-us/corporate-governance.html. See also Table 1 at Annexure A for a comparison of the main features of the AWA Constitution and the Beyond Bank Constitution.

13.6 Benefits to AWA Directors and officers in connection with retirement from office

The Directors of AWA receive annual remuneration payable once on an annual basis. For the year ended 30 June 2023, the aggregate amount of remuneration paid to all Directors was \$142,290. As at the Implementation Date, only 9 months of the 12 months will have elapsed. The amount due to Directors will therefore be determined on a pro rata basis accordingly.

AWA's current CEO will be offered a new executive management position within the Beyond Bank Group, to take effect from the Implementation Date.

Other than as set out immediately above and in section 8.14(c) (and only in respect of any redundancy entitlements that may in future arise), there are no other current proposals for any payments or other benefits to be made or given to a director, secretary or executive officer of AWA or any Related Body Corporate of AWA as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in AWA or any Related Body Corporate of AWA as a result of the Scheme. There is no other agreement or arrangement made between a Director of AWA and another person in connection with or conditional on the outcome of the Scheme.

Redundancy entitlements are only expected to arise if offers of employment made by Beyond Bank to AWA staff are not accepted, with any redundancy payments to be made by Beyond Bank.

13.7 Remuneration of AWA Directors

The directors of AWA are entitled to be paid fees for their services as directors of AWA and have been paid the following fees in the past two financial years (inclusive of superannuation entitlements):

- Aggregate director fees paid in FY2021: \$127,643
- Aggregate director fees paid in FY2022: \$126,990

13.8 Disclosure of payments and benefits to AWA Directors and officers conditional on the outcome of the Scheme

Other than as disclosed at Section 13.6, no AWA Director or officer of AWA will any receive payment or financial benefit of any kind if the Scheme is implemented.

13.9 Interests of AWA Directors in contracts with Beyond Bank

Except as set out above and elsewhere in this Scheme Booklet, no AWA Director has any interest in any contract entered into by Beyond Bank.

13.10 Disclosure of interests

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) AWA Director or proposed director of AWA;
- (b) Beyond Bank Director or proposed director of Beyond Bank;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter or underwriter of Beyond Bank or the Combined Group,

(together “**Interested Persons**”) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (e) the formation or promotion of Beyond Bank or the Combined Group;
- (f) property acquired or proposed to be acquired by Beyond Bank in connection with the formation or promotion of Beyond Bank or the Combined Group or the offer of New Beyond Bank Member Shares under the Scheme; or
- (g) the offer of New Beyond Bank Member Shares under the Scheme.

13.11 Disclosure of fees and other benefits

Except as disclosed elsewhere in this Scheme Booklet, neither Beyond Bank nor AWA has paid, or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a director or proposed director of Beyond Bank to induce them to become or qualify as a director of Beyond Bank; or
- (b) any Interested Person for services provided by that person in connection with:
 - (i) the formation or promotion of Beyond Bank or the Combined Group; or
 - (ii) the offer of New Beyond Bank Member Shares under the Scheme.

13.12 Creditors of AWA

The Scheme, if implemented, will not affect the interests of creditors of AWA.

AWA has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

AWA has no options or option holders.

13.13 No administrator

It is not proposed that any person be appointed to manage or administer the Scheme.

13.14 Relevant restrictions in the AWA Constitution

There are restrictions on the right to transfer AWA Member Shares in AWA's constitution. Generally, a member may not transfer their member share.

Full details of the restrictions attaching to AWA Member Shares are set out in the AWA Constitution, a copy of which is available for inspection at the AWA's registered office during normal business hours or online at www.awaalliancebank.com.au/about-us/publications.

As detailed in Section 11.5, the Constitutional Amendment have been proposed to enable the AWA Member Shares to be transferred to Beyond Bank pursuant to this Scheme.

13.15 No unacceptable circumstances

The AWA Directors do not believe that the Scheme involves any circumstances in relation to the affairs of any member of AWA that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

13.16 AWA Members in jurisdictions outside Australia

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

At the date of this document, there are no AWA Members who reside outside of Australia.

13.17 Privacy and personal information

AWA and Beyond Bank, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of AWA Members, and the names of individuals appointed by AWA Members as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme (in respect of the Scheme Meeting). The personal information may be disclosed to AWA's Share Registry and Beyond Bank in respect of the Beyond Bank Register and investor relations advisers, to securities brokers and to print and mail service providers.

AWA Members who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access the personal information collected in relation to them. Such individuals should contact the AWA Registry on 1300 365 790 if they wish to request access to that personal information.

AWA Members who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

13.18 Supplementary information

AWA will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each AWA Member will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on AWA's website (www.awaalliancebank.com.au/future).

13.19 Advisers and Experts

(a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role	Estimate of Fees (ex. GST) ¹⁴
HWL Ebsworth Lawyers (HWLE)	Legal advisor to AWA	\$340,000
Wallmans	Legal adviser to Beyond Bank	\$25,000
Lonergan Edwards & Associates Limited	Independent Expert	\$140,000
Nexia Sydney Pty Ltd	AWA's financial adviser	\$20,000

(b) Consents of advisers, experts and Bendigo

Lonergan Edwards & Associates Limited has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure B of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

Lonergan Edwards & Associates Limited takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of Lonergan Edwards & Associates Limited in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

Beyond Bank has given its consent to the inclusion of the Beyond Bank Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Bendigo takes no responsibility for the contents of the Scheme Booklet and has given its consent to being named in, and to inclusion of the information regarding Bendigo in, this Scheme Booklet Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

KPMG takes no responsibility for the contents of the Scheme Booklet, and has given its consent to be named as external auditor of Beyond Bank in the form and context in which it is named, and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in section 13.19(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) Disclaimers of responsibility

Each person named in section 13.19(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New Beyond Bank Member Shares under the Scheme;
 - (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in section 13.19(b); and
 - (iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.
- (d) **Fees**

Each person named in section 13.19(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties are set out in section 13.19(a).

13.20 Effects of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

13.21 Data in charts, graphs and tables

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

13.22 AWA litigation

So far as the AWA Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which AWA is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of AWA.

13.23 Beyond Bank litigation

So far as the Beyond Bank Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Beyond Bank (or any other member of the Beyond Bank Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of Beyond Bank or the Beyond Bank Group.

13.24 No other material information

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by an AWA Member whether or not to vote in favour of the Scheme, being information that is within the knowledge of any AWA Directors or directors of a Related Body Corporate of AWA, and which has not previously been disclosed to AWA Members.

14. Glossary of defined terms

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

A\$ or \$	means the lawful currency of Australia.
AASB	means the Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
AEDT	means Australian Eastern Daylight Saving Time.
Alliance Agreement	means the document with that name between Bendigo, AWA (then named AWA Credit Union Limited), and others, pursuant to which AWA operates in accordance with the Alliance Bank Model, the tenure of which must end by 28 February 2025.
Alliance Bank Model	means the model that AWA adopted when it and three other credit unions entered into the Alliance Agreement to establish the agency arrangement with Bendigo to distribute Bendigo's banking products and services using the "AWA Alliance Bank" bank brand (which is owned by Bendigo).
Annexure	means an annexure of this Scheme Booklet.
APRA	means the Australian Prudential Regulation Authority.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given to it in section 12 of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to the Merger Implementation Agreement and AWA or Beyond Bank (as applicable) was the designated body.
ATO	means Australian Taxation Office.
AWA	means AWA Mutual Limited (ACN 087 651 652).
AWA Board	means the board of AWA Directors as at the date of this Scheme Booklet.
AWA Constitution	means the constitution of AWA. Refer to Annexure A in relation to constitutional matters (including a comparison against the Beyond Bank Constitution and the proposed Constitutional Amendment).
AWA Directors	mean the directors of AWA.
AWA Member	means each person registered in the AWA Register as a holder of an AWA Member Share.
AWA Member Account	means the account of a Scheme Participant, designated in AWA's banking system as the primary account for that AWA Member, and in the case of a Joint Member, shall be the AWA Member Account of the Joint Member whose name first appears in the AWA Register.
AWA Member Number	means the unique number allocated to an AWA Member upon admission to membership in AWA which may be found on the top right hand corner of a 'Statement of Account' (issued by AWA to the AWA Member) or obtained from AWA by calling 1300 056 953.

AWA Member Share	means a membership share in the capital of AWA, the rights and terms of which are set out in Appendix 2 of the AWA Constitution (prior to the Constitutional Amendment) and summarised at Table 2 of Annexure A of this Scheme Booklet.
AWA Register	means the member register of AWA.
AWA Registry	means Link Market Services Limited (ACN 083 214 537).
AWA Shareholder	Refers to an AWA Member, and in the context of voting to the person entitled to vote in respect of that AWA Member.
Bendigo	means Bendigo and Adelaide Bank Limited (ABN 11 068 049 178).
Beyond Bank	means Beyond Bank Australia Limited (ACN 087 651 143).
Beyond Bank Board	means the board of Beyond Bank Directors as at the date of this Scheme Booklet.
Beyond Bank Counterproposal	means where Beyond Bank proposes to AWA amendments to the Scheme or a new proposal that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction.
Beyond Bank Directors	means the directors of Beyond Bank.
Beyond Bank Constitution	means the current constitution of Beyond Bank. Refer to Table 1 of Annexure A for a comparison between the AWA Constitution and the Beyond Bank Constitution.
Beyond Bank Group	means Beyond Bank and its Subsidiaries (details of which are provided at section 8.5).
Beyond Bank Information	means the information regarding the Beyond Bank Group, and the Combined Group, provided by Beyond Bank to AWA in writing for inclusion in this Scheme Booklet, including: <ul style="list-style-type: none"> (a) the information contained in table in section 1.8, in so far as it relates to Beyond only; (b) the information contained in section 1.1(d), in so far as it relates to Beyond only; (c) the information contained in section 8; (d) the information contained in section 9.2 (expressly including 9.2(n)), sections 9.3 and 9.4 (other than any information which only relates to AWA or AWA Members); and (e) the information contained in section 13 regarding the Beyond Bank Group or the interests of the Beyond Bank Directors or their Associates.
Beyond Bank Member	includes a person who holds a Beyond Bank Member Share.
Beyond Bank Member Share	means a fully paid share in the capital of Beyond Bank having the rights and entitlements described at section 8.15.
Beyond Bank Register	means the register of Beyond Bank Members maintained by Beyond Bank currently under the supervision of Tony Maughan (tmaughan@beyondbank.com.au).
Beyond Bank Member	means a person who holds a Beyond Bank Member Share from time to time.

Beyond Bank Representations and Warranties	means the representations and warranties made by Beyond Bank in the Merger Implementation Agreement.
Beyond Tenure Adjustment	<p>means, in respect of the Scheme Consideration and for Beyond Bank Member tenure purposes, the adjustment of the membership tenure in Beyond Bank of:</p> <p>(a) a Duplicate Member, such that it will be deemed to have become a Beyond Bank Member on the first to occur of:</p> <p>(i) the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date); or</p> <p>(ii) the date that it first became a Beyond Bank Member (provided that Beyond Bank membership has been continuously held between that date and the Implementation Date);</p> <p>(b) each other Scheme Participant, such that it will be deemed to have become a Beyond Bank Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).</p>
Business Day	means any day for which banks are open for business in both Melbourne, Victoria and Adelaide, South Australia (not being a Saturday, Sunday or public holiday in either of those places).
Cash Consideration	means the sum of \$10.00 payable per Scheme Share transferred by a Duplicate Member pursuant to the Scheme.
CGT	means Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> (Cth).
Combined Group	means the corporate group comprising Beyond Bank and its Subsidiaries, including AWA, if the Scheme is implemented.
Combined Group Board	means the board of directors of Beyond Bank, after the implementation of the Scheme.
Competing Transaction	<p>means a proposal, agreement, transaction or arrangement which, if completed, would mean a person (other than Beyond Bank or a Related Body Corporate of Beyond Bank) whether alone or together with its Associates would:</p> <p>(a) directly or indirectly acquire, or obtain a right to acquire, an interest or Relevant Interest in or become the holder of more than 50% of the total number of AWA Member Shares (other than as custodian, nominee or bare trustee) or more than 50% of the shares of AWA (other than as a result of the person's Relevant Interest in AWA Member Shares);</p> <p>(b) acquire Control of AWA</p> <p>(c) acquire or otherwise obtain an economic interest in, all or a material part of the business, assets or undertaking of AWA; or</p> <p>(d) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with AWA.</p>
Constitutional Amendment	means such amendments to the AWA Constitution as necessary to enable implementation of the Transaction. See section 11.5 and Table 2 at Annexure A).

Conditions Precedent	means the conditions precedent provided for in the Merger Implementation Agreement, with the remaining conditions yet to be satisfied being those set out in section 11.2.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means <i>Corporations Regulations 2001</i> (Cth).
Court	means the Federal Court of Australia (Melbourne registry), or such other court of competent jurisdiction under the Corporations Act agreed by the parties.
D Class Share	means a D class Share of Beyond Bank with a subscription price of \$1.00, being a redeemable preference share issued as consequence of the acquisition by Beyond Bank of Unit Credit Union in 2009. Beyond Bank has not since issued any new D Class Shares post that transaction and does not intend to. D Class Shareholders also hold a Beyond Member Share.
Deed Poll	means the deed poll to be executed by Beyond Bank prior to the First Court Date whereby, among other things, Beyond Bank covenants to carry out its obligations under the Scheme, as set out in Annexure D.
Director	means a director of AWA from time to time.
Duplicate Member	means either; (a) a Scheme Participant that is not a Joint Member that already holds a Beyond Bank Member Share at the Scheme Record Date; or (b) a Joint Member where either of the Primary Member or Secondary Member(s) hold a Beyond Bank Member Share at the Scheme Record Date.
Effective, when used in relation to the Scheme	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Eligible AWA Member	means a holder of an AWA Member Shares recorded in the AWA Register as at the Scheme Record Date, other than an Excluded Member.
End Date	means the earliest of: (a) the date of termination of this document in accordance with its terms; or (b) 30 June 2024 or such other date as is agreed in writing by Beyond Bank and AWA.
End Transfer Product	means loan and deposit products sold by AWA and held on the balance sheet of Bendigo, including any loan assets and deposit liabilities as at the "transfer time" (as defined in the Alliance Agreement) transferred by AWA to Bendigo pursuant to Part 1 of the Alliance Agreement that are still on the balance sheet of Bendigo. End Transfer Products includes loans, deposits, margin loans, debit cards and credit cards held by AWA Members.

Exclusivity Period	means the period from and including the date of this document to the earliest of: (a) the End Date; or (b) the date of the termination of this document in accordance with its terms.
FCCU Merger	means the proposed acquisition by Beyond Bank of First Choice Credit Union Ltd pursuant to a Memorandum of Understanding between those parties dated 18 July 2023.
General Meeting	means the general meeting of AWA Members (to be held on the same day as the Scheme Meeting) to consider: (a) a resolution required by AWA Members to approve the Constitutional Amendment; and (b) any other resolutions required of AWA Members (in that capacity) under the AWA Constitution or Corporations Act to authorise any transactions or steps contemplated by this document. Refer to section 11.5.
Implementation Date	means 12.00AM on 1 March 2024 (provided it is after the Scheme Record Date), or such other date following the Scheme Record Date, agreed by the parties and approved by the Court.
Independent Expert	means Lonergan Edwards & Associates Limited (ACN 095 445 560).
Independent Expert's Report	means the report of the Independent Expert in relation to the Scheme as set out in Annexure B of this Scheme Booklet.
Interested Person	means any of the following: (a) AWA Director or proposed director of AWA; (b) Beyond Bank Director or proposed director of Beyond Bank; (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or (d) promoter or underwriter of Beyond Bank or the Combined Group.
Joint Member	means a person that holds an AWA Member Share jointly with another person, as shown in the AWA Register. This includes AWA Members referred to as "primary members" and "secondary members" in correspondence and communications issued by AWA from time to time.
Last Practicable Date	means 11 December 2023, being the date prior to registration of this Scheme Booklet with ASIC.
KPMG	an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
MCI	means a mutual capital instrument as described in the constitution of Beyond Bank. CIs will not be issued to AWA Members. Beyond Bank has not issued any MCI's.
Member Share	means a member share as described in the constitution of Beyond Bank.
Merger	means the proposed merger of AWA with Beyond Bank on the terms and

	conditions in the Scheme.
Merger Implementation Agreement	means the Merger Implementation Agreement dated 12 September 2023 between AWA and Beyond Bank relating to the implementation of the Scheme.
Minor	means an AWA Member who is a natural person and has not attained 18 years of age, as at the Scheme Record Date.
New Beyond Bank Member Shares	means the new shares in Beyond Bank to be issued to Scheme Participants (other than Duplicate Members) under the Scheme, having the class designation 'member share' and the rights and entitlements summarised at section 8.15.
Primary Member	means any Joint Member of AWA that is first named in the AWA Register with respect to the relevant Joint Member, and that is not a Secondary Member.
Officer	means, in relation to an entity, any of its directors and officers.
Registered Address	means in relation to an AWA Member, the address shown in the AWA Register as at the Scheme Record Date.
Related Body Corporate	has the meaning given to it in the Corporations Act.
Related Entity	has the meaning given to it in the Corporations Act.
Relevant Interest	has the meaning given by section 608 of the Corporations Act.
Representative	means, in relation to an entity: (a) a Related Body Corporate; (b) an Officer or employee of the party or any of the party's Related Bodies Corporate; or (c) an adviser to the entity or any of the entity's Related Bodies Corporate.
Requisite Majority	means respect of the Scheme, means approval by: (a) more than 50% in number of AWA Members present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution by AWA Members.
Scheme	means the scheme of arrangement under Part 5.1 of the Corporations Act between AWA and Scheme Participants, the form of which is set out in Annexure C, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Beyond Bank and AWA.
Scheme Booklet	means this booklet that comprises the explanatory statement in respect of the Scheme to be approved by the Court and despatched to AWA Members and includes the Annexures to this booklet.
Scheme Conditions	means the conditions for implementation of the Scheme as set out in clause 3.1 to the Merger Implementation Agreement as detailed at sections 11.2 and 12.1 of this Scheme Booklet.

Scheme Consideration	<p>means the consideration provided by Beyond Bank for the transfer of Scheme Shares held by a Scheme Participant to Beyond Bank, being, in respect of each:</p> <p>(a) Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), one Beyond Bank Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Members Shares (subject to the Beyond Tenure Adjustment);</p> <p>(b) Scheme Share that is held jointly by a Joint Member where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date:</p> <p>(i) one New Beyond Bank Member Share to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Members Shares (subject to the Beyond Tenure Adjustment); and</p> <p>(ii) one New Beyond Bank Member Share to be issued to each other Secondary Member, taken to have been issued (and fully paid up) with a nil subscription price, and otherwise on the same terms as all other Beyond Bank Members Shares (subject to the Beyond Tenure Adjustment).</p> <p>(c) Scheme Share that is held by a Duplicate Member, where that Duplicate Member:</p> <p>(i) is not a Joint Member, the Cash Consideration and the Beyond Tenure Adjustment; and</p> <p>(ii) is a Joint Member and:</p> <p>(A) where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made;</p> <p>(B) where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.</p>
Scheme Meeting	<p>means the meeting of AWA Members to be held at the 'Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong Victoria 3220 at 6.00pm (AEDT) on Monday, 29 January 2024 to consider and vote on the Scheme. The notice convening the Scheme Meeting is set out in Annexure E.</p>
Scheme Participant	<p>means an AWA Member (including a Joint Member) recorded on the AWA Register as at 7.00pm (AEDT) on the Scheme Record Date.</p>
Scheme Record Date	<p>means 7.00pm on the fifth Business Day after the Effective Date or such</p>

	other time and date as AWA and Beyond Bank agree in writing.
Scheme Resolution	means the resolution to approve the Scheme as set out in the Notice of Scheme Meeting in Annexure E.
Scheme Shares	means an AWA Member Share on issue as at the Scheme Record Date.
Second Court Date	means the first day of the Second Court Hearing.
Second Court Hearing	means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Secondary Member	means a Joint Member of AWA that is not a Primary Member with respect to that Joint Member and has not paid a subscription price in respect of the AWA Member Share held by the relevant Joint Member.
Statutory Transfer	means the End Transfer Products in respect of AWA Members, from Bendigo to Beyond Bank, in accordance with the Transfer Act and the Transfer Rules. Refer also to 'What is the Alliance Agreement?' and 'What is the Statutory Transfer?' in the 'Frequently Asked Questions' table at section 5.
Superior Proposal	<p>means a bona fide Competing Transaction received in writing from a third party (not resulting from a breach by AWA of any of its obligations under the exclusivity provisions of the MIA) which the AWA Board, acting in good faith and after taking written legal advice from its legal Advisers and written advice from its financial Advisers determines:</p> <p>(a) is reasonably capable of being completed in a timely fashion taking into account all aspects of the Competing Transaction, including the identity, reputation and financial condition of the person making the proposal, and any timing considerations, conditions precedent or other matters affecting the probability of the Competing Transaction being completed; and</p> <p>(b) would, if completed substantially in accordance with its terms, likely be more favourable to AWA Members (as a whole) than the Scheme, taking into account all of the terms and conditions of the Competing Transaction (including consideration, conditionality, funding certainty, execution certainty, AWA's compliance with regulatory requirements, and timing) and relevant legal, regulatory and financial matters.</p>
Third Party	means a person other than a party to this agreement.
Transaction	means the acquisition of all AWA Member Shares held by AWA Members on the Scheme Record Date by Beyond Bank through implementation of the Scheme.
Transfer Act	means the <i>Financial Sector (Transfer and Restructure) Act 1999</i> (Cth).
Transfer Rules	means the <i>Financial Sector (Business Transfer and Group Restructure) Determination No. 2 of 2017</i> (Cth).

Corporate Directory

AWA Mutual Limited

Directors

Peter Richardson
Neville Pearce
Richard Lyle
Brian Virtue
Adrian Hart
Elaine Carbines
Sean O'Neill
Elizabeth White

Company Secretary

Gavin Heathcote

Registered and Principal Office

49-51 Malop Street,
Geelong, Victoria, 3220

Solicitors

HWL Ebsworth Lawyers
Level 14, Australia Square
264 - 278 George Street,
Sydney, New South Wales 2000

Tax Advisor

Nexia Sydney Tax Advisory Pty Ltd (ABN 74 632
113 994)
Level 16, 1 Market Street,
Sydney NSW 2000

AWA Registry

Link Market Services Limited (ACN 083 214 537)
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

*Business hours: Monday to Friday, 9.00am -
5.00pm

Beyond Bank Australia Limited

Directors

Sandra Anderson
Joanne Baker
Daryl Johnson
Trent Bartlett
Steven Coles
John Evans

Company Secretary

Shelley Nave

Registered and Principal Office

100 Waymouth Street,
Adelaide, South Australia 5001

Solicitors

Wallmans Lawyers
5/400 King William Street,
Adelaide, South Australia 5000

Internal Auditor

PricewaterhouseCoopers (PWC)
Level 11/ 70 Franklin Street
Adelaide SA 5000

External Auditor

KPMG
151 Pirie Street
Adelaide SA 5000

Tax Advisor

KPMG
151 Pirie Street
Adelaide SA 5000

Beyond Bank Register contacts

Beyond Bank
Tony Maughan
tmaughan@beyondbank.com.au
13 25 85

Annexure A – Constitutional Matters

Table 1 - Comparison of AWA Constitution and Beyond Bank Constitution

The below table sets out a comparison between the rights and obligations of AWA members under the existing AWA Constitution, and the rights and obligations that will apply to them under the Beyond Bank Constitution from the Implementation Date, if the Scheme becomes Effective.

(Refer to Table 2 below for proposed amendments to be made to the AWA Constitution.)

Position under AWA Constitution	Position under Beyond Bank Constitution
General	
Type of Company	
AWA is a public company limited by shares.	No equivalent constitutional provision. However, Beyond Bank is also an unlisted Australian public company limited by shares.
Objects	
<i>Appendix 1</i> AWA's purpose is to deliver benefits to members whilst having an overall positive impact on society and the environment, including the following primary objects:	<i>Appendix 1</i> Beyond Bank's purpose is to have an overall positive impact on society and the environment whilst pursuing the following objects:
<ul style="list-style-type: none"> to encourage savings amongst members and customers; to promote co-operative enterprise; to provide programs and services to members and customers to assist them to meet their financial, economic and social needs; to promote, encourage and bring about human and social development among individual members and customers and within the larger community within which members and customers work and reside; to further the interests of members and the communities within which they work and live through co-operation with: other mutuals and co-operatives; and associations of mutuals and co-operatives, locally and internationally; to invest surplus capital for services and projects designed to improve the long-term sustainability and social wellbeing of the communities the mutual serves. 	<ul style="list-style-type: none"> to encourage savings amongst members; to promote co-operative enterprise; to provide programs and services to members to assist them to meet their financial, economic and social needs; to promote, encourage and bring about human and social development among individual members and within the larger community within which members work and reside; to further the interests of members and the communities within which they work or live, including through co-operation with other mutual banking institutions and co-operatives; and associations of mutual banking institutions and co-operatives, locally and internationally; to raise funds by subscription, deposit or otherwise, as authorised by the Corporations Act and the Banking Act 1959 (Cth); to apply the funds in providing financial accommodation subject to the <i>Corporations Act</i> and the <i>Banking Act 1959 (Cth)</i>.

Principles of mutuality	
<p>Principles of mutuality are set out in the Preamble to AWA's Constitution. These reflect:</p> <ul style="list-style-type: none"> • the 'one member, one share'¹⁵ and 'one share, one vote' principles; • no person (or group of associated persons), may exercise a significant degree of influence over the affairs of AWA; • only a member may be a director¹; • admission is via the subscription of shares only¹, for valuable consideration; • shares are not transferrable¹ (subject to any express exceptions); • shares must confer a right to redeem on the member's request; • shares confer a right to participate in surplus on a winding-up; • shares may confer a right to participate in profits through dividends; • customers need not acquire shares; • various principles in respect of "additional shares" (i.e. a different class to AWA Member Shares), however there are presently no such shares on issue and no plans to issue any. <p>The preamble specifically provides that these principles of mutuality are not binding on AWA, except to the extent expressly provided for in the AWA Constitution itself.</p>	<p>No express principles of mutuality.</p> <p>However, Rule 1.4A expresses the intention that Beyond Bank is to be recognised as an MCI mutual entity¹⁶ for the purposes of the Corporations Act.</p>
Demutualisation	
<p>No express process for demutualisation.</p>	<p><i>Appendix 5 - Consideration of Demutualisation Resolutions</i></p> <p>The Demutualisation Approval Procedures Rules contained in the Appendix 5 set out the process and triggers for demutualisation. (Refer also to Section 8.15(j) of this Scheme Booklet).</p>
Membership	
Type of Membership	
<p><i>Clause 3.1</i></p> <p>A person may be admitted to membership if they make written application in the required form and pay the subscription price.</p> <p><i>Clause 3.3</i></p>	<p><i>Clause 3.1</i></p> <p>A person may be admitted to membership if they make written application for membership and for a member share and pay the subscription price (if any)¹⁷.</p>

¹⁵ Subject to Constitutional Amendment proposed. See Table 2 below.

¹⁶ An MCI mutual entity must meet the criteria in section 167AC of the Corporations Act, including it must not be listed or have any voting shares (other than MCIs) and must have issued MCIs. An MCI is a 'mutual capital instrument' which, broadly speaking, is a type of security or financial product regulated under the Corporations Act which allow a mutual entities to raise money without relying solely on debt or comprising its member owned or mutual status.

¹⁷ Beyond Bank has issued member shares with subscription prices of "nil", \$2.00 and \$10.00.

<p>Joint membership may be held. The person named first in the register is the primary joint member. Requirements to send any notices, certificates or other document to any joint member may be satisfied if AWA sends it only to that primary joint member. Only the primary joint member is entitled to vote.</p>	<p><i>Clause 3.3</i></p> <p>Joint membership may be held. The person named first in the register is the primary joint member. Requirements to send any notices, certificates or other document to any joint member may be satisfied if AWA sends it only to that primary joint member. Only the primary joint member is entitled to vote.</p>
<p>Automatic Termination of Membership</p>	
<p><i>Clause 4.1</i></p> <p>A member may be removed from the register and their membership terminated if:</p> <ul style="list-style-type: none"> • the member has requested it; • the Board has terminated the membership due to failure to discharge the member's obligations, or the member has engaged in conduct detrimental to AWA or membership was obtained by misrepresentation or mistake; • the member is inactive; • any amount of the unpaid subscription price for a member share at the time the amount becomes due remains unpaid; • Where the member is an individual, the member dies, becomes a bankrupt and AWA registers the member's trustee in bankruptcy as the holder of the share, or the member becomes mentally incapable and AWA registers the member's trustee or guardian as the holder of the share; • Where the member is a body corporate — the member is deregistered or dissolved; or • Where the member is a trustee for an unincorporated association — AWA registers the transfer of the member's share to another person who is to act as trustee for the unincorporated association. 	<p><i>Clause 4.1</i></p> <p>A member may be removed from the register and their membership terminated if:</p> <ul style="list-style-type: none"> • the member has requested it; • the Board has terminated the membership due to failure to discharge the member's obligations, or the member has engaged in conduct detrimental to Beyond Bank or membership was obtained by misrepresentation or mistake; • the member is inactive or dormant; • Where the member is an individual, the member dies, becomes a bankrupt and Beyond Bank registers the member's trustee in bankruptcy as the holder of the share, or the member becomes mentally incapable and Beyond Bank registers the member's trustee or guardian as the holder of the share; • Where the member is a body corporate — the member is deregistered or dissolved; or • Where the member is a trustee for an unincorporated association — Beyond Bank registers the transfer of the member's share to another person who is to act as trustee for the unincorporated association.
<p>Termination of membership for dormancy</p>	
<p>Membership may be terminated for dormancy in the below circumstances:</p> <p><i>Clause 4.4(1)</i></p> <p>AWA may:</p> <ul style="list-style-type: none"> • determine that the member is inactive; and • redeem the member's share, by board resolution if the member has not initiated any transactions in relation to any products and services (including deposit accounts) made available by AWA in the 12 month period before the date of the resolution. <p><i>Clause 4.4(2)</i></p> <p>Advance notice must be sent to the member of the proposed board resolution to terminate.</p>	<p>Membership may be terminated for dormancy in the below circumstances:</p> <p><i>Clause 4.4(2) and 4.4(3)</i></p> <p>The board may determine that a member's deposit account(s) or other accounts are dormant if:</p> <ul style="list-style-type: none"> • the member has not initiated any transactions for that account for at least 12 months; and • advance notice has been given to the member, with a 1 month opportunity to request that the relevant account(s) stay open, failing which Beyond Bank will close the account and redeem the member's share.

Distributions on Winding Up	
<p><i>Clause A2-5</i></p> <p>On a winding-up, the holder of a member share is entitled to:</p> <ul style="list-style-type: none"> any payment of the subscription price actually paid on the member share; if any assets then remain - to any surplus assets. <p>Each member share carries a right to participate in surplus assets equally with every other member share.</p> <p>Such entitlements are subject to any preferred entitlements that holders of any other class of shares may have¹⁸.</p>	<p><i>Clause A2-D1-5</i></p> <p>On a winding up, all members' shares are entitled to participate in any surplus equally without regard to the number of shares held by any member.</p>
Shares	
Dividend Entitlements	
<p><i>Clause A2-4</i></p> <p>Member shares carry a right to participate in any dividend declared on a share class (equally with every other member share), subject to the dividend being approved by members in general meeting.</p> <p>These entitlements are subject to any preferred entitlements to dividends that holders of any other class of shares may have¹⁹.</p>	<p><i>Clause 7.1</i></p> <p>The board determines if, when and how Beyond Bank is to pay a dividend on shares.</p> <p>For dividends payable other than in cash, the board may fix the value of any securities issued or assets transferred.</p> <p>If the terms of issue for a share require the general meeting's approval to any payment of a dividend, the board's determination is effective only if the general meeting approves the dividend before it falls due for payment.</p>
Subscription prices	
<p><i>Appendix 2, A2-1</i></p> <p>The subscription price for an AWA Member share is \$10.00.</p>	<p><i>Appendix 2, A2-D1-1</i></p> <p>The Beyond Bank Constitution currently states that all Beyond Member Shares must be issued for a \$Nil subscription price.</p> <p>Beyond Members will be asked to vote on a resolution at its upcoming 2023 AGM scheduled for 27 November 2023, to amend the relevant provision of the Beyond Bank Constitution to provide for an exception to this subscription price limitation, in circumstances where Beyond Bank issues Beyond Member Shares in the case of a members' scheme of arrangement or as consideration for the acquisition of a business or entity. In these cases, the Beyond Member Shares can be issued or deemed to be paid up to the subscription price(s) specified by the relevant transaction document for the scheme or acquisition or as otherwise determined by the Beyond Bank Board.</p>

¹⁸ Note that AWA has only one share class.

¹⁹ There are presently no other share classes.

	This will enable Beyond Bank to issue the New Beyond Member Shares pursuant to the Scheme as deemed to be full paid up to \$10.00.
General Meetings	
Notice period for general meetings	
<p><i>Clause 11.1(1)</i> The board may call a general meeting.</p> <p>The Constitution is silent on the amount of notice required to call a general meeting. The default requirement under the Corporations Act therefore applies, being at least 21 days' notice.</p>	<p><i>Clause 11.1</i> The board may call a general meeting.</p> <p>The Constitution is silent on the amount of notice required to call a general meeting. The default requirement under the Corporations Act therefore applies, being at least 21 days' notice</p>
Eligibility to vote	
<p><i>Clause A2-3</i> A member may exercise only one vote at a members' meeting or on an election of directors, regardless of the fact that the member may hold more than one membership.</p> <p><i>Clause 12.1</i> The chair does not have a casting vote.</p>	<p><i>Clause 12.1</i> On a show of hands, each member present in person has one vote.</p> <p>If a member is also an MCI holder, that member has no more than one vote at a general meeting, regardless of the terms of issue of the MCI²⁰.</p> <p>The Chair does not have a casting vote.</p>
How to vote	
<p><i>Clause 12.1</i> Resolutions must be decided on a show of hands unless a poll is demanded.</p> <p><i>Clause 12.5</i> A member may appoint a proxy. A proxy does not have a right to vote on a show of hands.</p> <p><i>Clause 12.4</i> A member who is a body corporate, may appoint a representative to exercise the member's rights at a general meeting.</p>	<p><i>Clause 12.1</i> Resolutions must be decided on a show of hands unless a poll is demanded.</p> <p>A member may appoint a proxy. A proxy has the right to vote on a show of hands. A body corporate representative may also vote on a show of hands.</p> <p><i>Clause 12.4</i> A member who is a body corporate, may appoint a representative to exercise the member's rights at a general meeting.</p>
General Meeting Quorum	
<p><i>Clause 11.3 (1)</i> The quorum for a members' meeting is</p> <ul style="list-style-type: none"> • 10 members present in person; or • if less than 50 members are eligible to attend and vote — 50% of the members eligible to attend and vote at the member's meeting. 	<p><i>Clause 11.3</i> The quorum for a general meeting is:</p> <ul style="list-style-type: none"> • 30 members present in person, by proxy or body corporate representative; or • if less than 50 members are eligible to attend and vote — 50% of the members eligible to attend and vote at the general meeting.
Directors	
Number of Directors	
<i>Clause 13.1</i>	<i>Clause 13.1</i>

²⁰ If the terms of issue so provide, an MCI vote holder has one vote at a general meeting.

<p>AWA must have no less than 2 and no more than 9 Directors.</p> <p>Members may appoint a person who is less than 72 to be a director, the Board may appoint one person as a director.</p>	<p>Beyond Bank must have no less than 5 directors, to include no more than 3 'Appointed Directors'²¹.</p> <p>The board has discretion to appoint Beyond Bank's CEO to the board (which appointment is not counted in determining the minimum directors).</p> <p>An 'Elected Director' is a director appointed by members following the election process (by secret ballot) in Appendix 4.</p> <p>The Board may also appoint a person to be a director to fill a casual vacancy.</p>
<p>Chairman</p>	
<p><i>Clause 15.3</i></p> <p>The board may appoint a director to chair its meetings, and determine the period of tenure as chair. The board may remove the chair from that position at any time.</p>	<p><i>Clause 15.3</i></p> <p>The board may appoint a director (other than an employee director) to chair its meetings, and one other director as deputy chair. It may also determine the period of tenure as chair/deputy chair. The board may remove the chair/deputy chair from those positions at any time.</p>
<p>Director Eligibility</p>	
<p><i>Clause 13.2, 13.3, 13.4</i></p> <p>An individual is eligible to be a director if the person:</p> <ul style="list-style-type: none"> • is a member²²; • has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity; and • has not been disqualified by law from being or acting as a director. 	<p><i>Clause 13.2</i></p> <p>An individual is eligible to be a director if the person:</p> <ul style="list-style-type: none"> • is a member and has been continuously for a period of at least 3 years unless otherwise determined by the Board; • is not a current employee (and has not been an employee) of Beyond Bank within the 3 year period immediately prior to the closing of nominations for an election; • has not had a personal representative or trustee appointed to administer the person's estate or property because of their mental incapacity; • is not a minor; • is not disqualified or prevented by law from being a director of the company; and • is of appropriate fitness and propriety to be and act as a director²³
<p>Rotation of Directors and maximum terms</p>	
<p><i>Clause 13.4</i></p> <p>A director appointed by the board will have a 1-year tenure (unless earlier terminated by the board).</p> <p><i>Clause 13.6</i></p>	<p><i>Clause 13.6</i></p> <p>An elected director's term starts at the end of the AGM at which the director's election is announced; and ends at the end of the third AGM thereafter.</p>

²¹ I.e. the directors appointed by the Board.

²² Subject to Constitutional Amendment proposed. See Table 2 below.

²³ This is determined by reference to a 'Fit and Proper Policy' established by Beyond Bank .

<p>A director appointed by members has a term starting at the end of the AGM at which the director's election is announced; and ends at the end of the third AGM thereafter.</p>	<p>The term of a chief executive officer appointed as a director ends if and when the person ceases to be the chief executive officer.</p> <p>An elected director is not eligible to be re-elected if their cumulative period in office would be 9 years or more from the time they were first elected, re-elected, or appointed.</p> <p>A person who is ineligible to become or remain an 'Elected Director' is not prevented from being an 'Appointed Director.'</p>
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Table 2 - Constitutional Amendment (to AWA Constitution)

The below table summaries the proposed Constitutional Amendment to be voted on at the General Meeting.

It is a summary only. To see the amendments in full, a copy of the Amended Constitution (with amendments shown in red underlined tracking) can be downloaded from www.awaalliancebank.com.au/future or upon request from AWA's Company Secretary.

These amendments only apply in the case of a scheme of arrangement and will only become effective on the Effective Date of the Scheme. They will therefore only be relevant to AWA Members for a brief moment in time (in order to facilitate the Scheme), after which Beyond Bank will become AWA's sole member.

Description	Proposed amendment summary
<p>Definitions (Rule 1.1)</p>	<p>A number of new definitions have been proposed for insertion to aid in the interpretation of the Constitutional Amendment, including new definitions of:</p> <ul style="list-style-type: none"> • 'corporations act', being the Corporations Act 2001 (Cth); • 'effective', being the date of which a scheme becomes effective if it has been approved by the requisite majorities of members and by the Court pursuant to Part 5.1 of the Corporations Act and a copy of the Court's orders has been lodged with the Australian Securities and Investments Commission pursuant to s 411(1) of the Corporations Act; • 'scheme', being a scheme of arrangement under Part 5.1 of the Corporations Act (such as the currently proposed scheme to be voted on at the scheme meeting); • 'scheme share', being an AWA Member Share transferred (or to be transferred) pursuant to a scheme; • 'scheme transferee', being the person that is to acquire all of the AWA Member Shares pursuant to a scheme (being Beyond Bank in the case of the proposed Scheme).
<p>Membership (Division 3)</p>	<p>A New Rule 3.1A is proposed to be inserted to the effect that Division 3 will not apply to a transfer of AWA Member Shares pursuant to a scheme, in which case the provisions of the scheme in relation to the transfer of member shares and admission to membership under that scheme will apply.</p> <p>Consequential amendments have been proposed to Rule 3.1 to reflect that AWA Member Shares may be transferred pursuant to a 'scheme', and accordingly a person may be admitted to membership as a result.</p>
<p>Transfer of AWA Member Shares (Division 9)</p>	<p>Amendments have been proposed to Rule 9.1 and 9.3(2) so as not to strictly apply certain procedural requirements of a share transfer in circumstances of a 'Scheme'.</p>

	<p>A new Rule 9.1A is proposed to be inserted to expressly permit the transfer of member shares pursuant to a scheme in accordance with the provisions of that scheme.</p> <p>Consequential amendments have been made to Rules 9.1 (form of share transfer) and 9.3 (registration of share transfer), to make them subject to the newly inserted Rule 9.1A.</p>
<p>Future Constitutional Amendment (new Rule 9.6)</p>	<p>A new Rule 9.6 has been proposed. Its practicable effect is to enable Beyond Bank, after the Scheme has been implemented (and at which time Beyond Bank will be AWA's sole shareholder) to amend the AWA Constitution by making a written declaration, rather than needing to pass a special resolution which would otherwise be the default Corporations Act procedure. The default procedure would be unnecessary in circumstances where AWA has only one member.</p>
<p>Director qualifications (Rule 13.3)</p>	<p>Rule 13.3 is proposed to be amended, such that its practical effect is to disapply the director election procedures set out in Appendix 4 of the AWA Constitution in the case of a scheme becoming effective, and to disapply the requirement for a special resolution to appoint a director who is 72 years of age or more (given this age requirement has been removed from the Corporations Act)²⁴.</p> <p>In that case, the scheme transferee (such as Beyond Bank) may appoint a person who is less than 72 to be a director by providing written notice to AWA specifying the date on which the appointment is to be effective.</p>
<p>Member share rights (Appendix 2)</p>	<p>Appendix 2 of the AWA Constitution sets out the rights attaching to the AWA Member Shares, including that such shares are not transferrable (see Rule A2-7).</p> <p>By virtue of the proposed insertion of new Rule 9.1A (see 'Transfer of AWA Member Shares' row above) and amendments proposed to Rule A2-7(1) of Appendix 2 and insertion of new Rule A2-8 of Appendix 2, the entirety of Appendix 2 is now to be read subject to new Rule 9.1A.</p> <p>The practical effect is that, in the case of a scheme, new Rule 9.1A prevails, meaning (principally) that AWA Member Shares can be transferred to facilitate a 'Scheme'.</p>
<p>Other procedural amendments (various Rules)</p>	<p>Various other amendments have been proposed to support the principal amendments summarised above, being to:</p> <ul style="list-style-type: none"> Principles of Mutuality in the Constitution's 'Preamble' - to recognise that a share transfer may occur pursuant to a Scheme and a person can become a member by virtue of that transfer (rather than via a share subscription); Rule 4.1 (Termination of Membership) to reflect that a member's name may be removed from the members' register if their shares have been transferred to another; Rule 5.1(4) (Issue of Shares) adding a note to recognise that a scheme transferee (such as Beyond Bank) could hold more than 1 member share; Rule 11.3 (quorum) is amended such that if there is a single member, only that member is required to form a quorum. Rule 11.4(5) (relating to members' meetings) to recognise that a competent Court may make orders in respect of convening and holding of, and procedures to be followed at, any members' meetings necessary or desirable to approve the scheme. Such orders are

²⁴ A 'Scheme' becomes "effective" when it is approved by members and the court. In the case of the current proposed Scheme, this is referred to elsewhere in this Scheme Booklet as the Effective Date.

	<p>commonplace to facilitate schemes of arrangement and provide efficient and expedient meetings;</p> <ul style="list-style-type: none">• Rule 12.1 (Voting) to recognise that voting to approve a scheme will occur via a poll (and not a show of hands); and• Rule 13.6 (Term of office) to recognise that if a director has been appointed by written notice given by a scheme transferee, then their term commences at the date of (or set out in) that notice and ends 36 months thereafter.
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Annexure B – Independent Expert's Report

The Directors
AWA Mutual Limited
49-51 Malop St
Geelong VIC 3220

8 December 2023

Subject: Proposed acquisition of AWA Mutual Limited by way of a scheme of arrangement

Dear Directors

Introduction

- 1 AWA Mutual Limited (AWA) is an “Alliance Bank” that, in partnership with Bendigo & Adelaide Bank Limited (BEN), provides a range of savings accounts, fixed term accounts, personal and business lending products, and foreign exchange services through its three branches: 49-51 Malop Street, Geelong Victoria (VIC); Point Danger, Portland VIC; and 160 Pinjarra Road, Mandurah, Western Australia (WA).
- 2 The Alliance Bank model (AB Model) originated in 2015, when AWA and three other credit unions¹ (the AB Partners) restructured and entered into an agency agreement with BEN. Under the model, an AB Partner distributes BEN’s banking products and services (e.g. deposit and loan accounts)², using its own Alliance Bank brand (AWA trades under the name “AWA Alliance Bank”)³. While customers transact through the AB Partner, they remain at all times, depositors with and borrowers from BEN⁴.
- 3 Importantly, BEN did not acquire AWA (or any of the other AB Partners). AWA remains an independent mutual financial services organisation, that is owned by its members, and continues to focus upon serving them and the communities in which they live and work. That said, as part of the 2015 restructure, AWA surrendered its authorised deposit-taking institution (ADI) licence. It is therefore unable to independently carry out banking operations

¹ BDCU Limited (BDCU), Circle Mutual Limited (Circle), and Service One Mutual Limited (Service One). Nova Mutual Limited (Nova) also restructured to become an “Alliance Bank” in 2018.

² And in limited circumstances, the products of other third party providers.

³ Noting that BEN owns all the Alliance Bank trademarks (i.e. brands), not the AB Partners.

⁴ For the avoidance of doubt, deposits and loans are recorded on BEN’s balance sheet, not the balance sheet of the AB Partner.

Authorised Representatives:

Hung Chu • Martin Hall • Grant Kepler* • Julie Planinic* • Jorge Resende • Nathan Toscan • Wayne Lonergan • Craig Edwards

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.
Liability limited by a scheme approved under Professional Standards Legislation

such as receive deposits and/or provide loans⁵ (i.e. outside the AB Model or similar operating framework) and cannot call itself a credit union.

- 4 The initial term of the AB Model ends in February 2025 and BEN has advised AWA (and the other AB Partners) that it will not renew the model beyond that date. As a result, if AWA wishes to continue to provide banking products and services to its members, it will need to implement a different operating framework, either by partnering with another ADI licensed institution or by collaborating with BEN in a different way (noting that BEN proposed that AWA transition to BEN’s franchise arrangement, the “Community Bank” model (CB Model)).
- 5 In response, the AWA Board commenced a process to identify and evaluate its options⁶, with a view to selecting the option which, having regard to AWA’s member value proposition (MVP) and Constitutional objectives, it considered to provide the greatest advantage to AWA members. The proposed scheme with Beyond Bank Australia Limited (Beyond) (refer below) represents the preferred option that arose out of that process.

The proposed Scheme with Beyond

- 6 On 12 September 2023, AWA and Beyond entered into a Merger Implementation Agreement (MIA) pursuant to which it is proposed that Beyond acquire 100% of the member shares on issue in AWA (AWA Member Shares).
- 7 The proposed acquisition of AWA Member Shares by Beyond is to be implemented by way of a members’ scheme of arrangement (the Scheme) in accordance with Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) and will require the approval of AWA members before it can proceed. It is also subject to a number of other conditions precedent (as summarised in Section I of our report), including AWA member approval of the proposed amendments to AWA’s Constitution (Constitutional Amendment⁷) and APRA⁸ approval of the transfer of the AWA member loans, deposits and associated services / products from BEN to Beyond.
- 8 If the Scheme is approved and implemented, it will have two primary effects on AWA members:
 - (a) **Effects of the Scheme on AWA members as banking customers** – AWA members will transition to and become banking customers of Beyond (i.e. AWA member loans, deposits and associated services / products which are currently with BEN will, subject to relevant regulatory approvals, transition to and become loans from and deposits with Beyond)⁹

⁵ However, it should be noted that under the *National Consumer Credit Protection Act 2009* (Cth) (NCCP Act), AWA is not required to hold a credit licence in order to lend to not-for-profit organisations so long as total loaned monies do not exceed 50% of its total assets.

⁶ Noting that AWA has the right to request that BEN transfer AWA Alliance Bank’s loans and deposits to another ADI. BEN may refuse a request to transfer the loans and deposits if the proposed transferee is not an ADI, where BEN would breach a legal or regulatory requirement, or where it would be unable to complete the transfer in accordance with the procedural requirements of the AB Model.

⁷ Described at paragraphs 34 to 37.

⁸ Australian Prudential Regulation Authority (APRA).

⁹ AWA members will be deemed to have become a member of Beyond on the date they first became a member of AWA (provided that AWA membership has been continuously held between that date and the Scheme

- (b) **Effects of the Scheme on AWA members as shareholders** – AWA members will swap their interest in AWA for an interest in Beyond (i.e. AWA members will cease to be members of AWA and instead become members of Beyond). AWA members will receive consideration in the form of either one fully paid member share in Beyond (Beyond Member Share), or cash as follows:
- (i) Primary Members¹⁰ that are not Duplicate Members¹¹ – will receive one Beyond Member Share in exchange for their AWA Member Share (the Beyond Member Share will be taken to have been issued at a \$10 subscription price)
 - (ii) Secondary Members¹² that are not Duplicate Members – will receive one Beyond Member Share which will be taken to have been issued at a \$nil subscription price¹³
 - (iii) Duplicate Members – as they are already members of Beyond they will not receive a Beyond Member Share, rather they will be repaid the subscription price they originally paid for their AWA Member Share (e.g. \$10).

9 As a result of the above, AWA will cease to be owned by AWA members and it will instead become a wholly owned subsidiary of Beyond.

10 Beyond is a customer-owned bank that offers a traditional range of retail and business banking products and services including savings and business transaction accounts, online banking, home loans, personal and business loans and credit cards. It also provides a range of financial planning services in partnership with Bridges Financial Services and insurance products¹⁴. Beyond’s branch network is located in New South Wales (NSW), South Australia (SA), WA, the Australian Capital Territory (ACT), and VIC.

Purpose of report

- 11 There is no legislative (or regulatory) requirement for AWA to obtain an Independent Expert’s Report (IER), however, the Scheme is subject to a number of conditions precedent, including an independent expert concluding that the Scheme is “in the best interests” of AWA members. In addition, the AWA Directors’ recommendation of the Scheme are each subject to an independent expert concluding, and continuing to conclude, that the Scheme is “in the best interests” of AWA members.
- 12 Accordingly, the Directors of AWA have engaged Lonergan Edwards & Associates Limited (LEA) to prepare an IER stating whether, in our opinion, the Scheme is “in the best interests” of AWA members and the reasons for that opinion.

implementation date). If a Duplicate Member’s tenure with Beyond is longer (and has been continuously held), then that longer tenure will stand.

¹⁰ All AWA members other than Secondary Members (Primary Members).

¹¹ Any AWA member that is already a member of Beyond (Duplicate Members).

¹² The secondary members of an AWA membership that is held jointly by two or more members (Secondary Members). Only one AWA Member Share is issued per joint membership (and this is registered in the name of the Primary Member). Secondary Members have not contributed any capital and have no voting rights.

¹³ This is because Secondary Members did not pay any subscription price for their membership of AWA (the subscription price was paid by the Primary Member).

¹⁴ Which are underwritten by Allianz Australia.

- 13 LEA is independent of AWA and Beyond and has no other involvement or interest in the Scheme.

Summary of opinion on the Scheme

Assessment of “fairness”

- 14 When an IER is prepared for a scheme of arrangement that involves a change of control (essentially, where one party acquires more than a 20% equity interest in another party), the Australian Securities & Investments Commission (ASIC) expects the expert to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (Corporations Regulations)).
- 15 Pursuant to ASIC Regulatory Guide 111 – *Content of expert reports* (RG 111), a scheme is “fair” if the value of the consideration offered is equal to, or greater than the value of the securities that are the subject of the scheme.
- 16 While the Scheme will give rise to a change in control of AWA (because it will cease to be owned by members and instead become a wholly owned subsidiary of Beyond), we note that AWA members are effectively swapping an interest in one mutual (AWA) for an interest in another mutual (Beyond), rather than giving up the benefits of their existing membership and exchanging their interest for cash¹⁵ and/or marketable scrip in an acquiring entity¹⁶. Furthermore, for the reasons outlined at paragraph 49, in our opinion, it is not possible to assess the market value of a membership interest in either AWA or Beyond. As a consequence, in our view, it is not relevant, meaningful or possible to form a view on whether the Scheme is “fair” (as defined in RG 111).
- 17 Accordingly, we have only considered whether the Scheme is “reasonable” and “in the best interests” of AWA members.

Assessment of “reasonableness” and “in the best interests”

- 18 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal. Pursuant to RG 111, a scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 19 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of the members of the company.
- 20 We also note that it is generally accepted that in the context of a public company transaction, a proposal will be “in the best interests” of the members of a company if the advantages of the

¹⁵ With the exception of Duplicate Members who will receive cash consideration equivalent to the subscription price they originally paid for their AWA Member Share (e.g. \$10).

¹⁶ In these situations, the acquiring entity will typically have a single objective of maximising returns to its shareholders and will have no mandate to provide ongoing benefits to members as customers (or to return value to members as customers).

proposal outweigh its disadvantages. In effect, this is the same test as that used in forming a view on the “reasonableness” of a proposal and requires the consideration of the same factors.

- 21 Accordingly, for the purposes of this report we have assessed the overall impact of the Scheme on the members of AWA and formed a judgement as to whether the expected benefits outweigh any disadvantages and risks that might result. To the extent possible, we have compared quantifiable benefits with quantifiable disadvantages. However, many of the potential benefits and disadvantages are by their very nature difficult, or even impossible, to quantify or verify. In this context, the overall conclusion as to whether the advantages of the Scheme outweigh the disadvantages is to a large extent subjective.
- 22 We summarise below the likely advantages and disadvantages for AWA members if the Scheme proceeds.

Advantages

23 The Scheme has the following key advantages for AWA members:

- (a) as banking customers, members will (inter alia):
- (i) have access to a similar suite of banking products and services to those presently available, noting that all pricing and fee waivers will be honoured on existing (deposit and loan) accounts. In addition, AWA members will have the added benefit of being able to access financial planning services and insurance products, neither of which are currently available under the AB Model
 - (ii) continue to have access to branches located in Geelong, Portland and Mandurah and the services offered in these branches are likely to continue to be delivered by familiar staff¹⁷. Additionally, AWA members will have the opportunity to utilise Beyond’s more extensive branch network¹⁸
 - (iii) have similar if not improved levels of protection on their deposits (noting that deposits with Beyond are, like BEN, covered by the Australian Government guarantee of up to \$250,000 per account holder per ADI).
- (b) as shareholders, AWA members will retain a membership interest in a mutual organisation that shares similar values with AWA, being a commitment to providing services to members and the communities in which they reside, rather than being driven by profits. Rights and entitlements remain largely unaffected and members will continue to be entitled to be repaid their share subscription fee (e.g. \$10) when they cease to be a member
- (c) Beyond has committed to honouring all of AWA’s community initiatives and has also pledged to make an additional one-off donation of \$200,000 to AWA’s philanthropic partnership program (via its Beyond Bank Australia Foundation). While Beyond has only provided a three-year commitment to AWA’s philanthropic partnership (i.e. donation) program, Beyond has a demonstrated history of maintaining the community initiatives of its merger partners well past its commitment periods. In addition, AWA members’ communities may also benefit from additional support provided through new community initiatives provided by Beyond

¹⁷ As Beyond has committed to retaining all AWA’s customer facing staff.

¹⁸ Beyond has 48 branches located across NSW (17), SA (14), WA (7), ACT (6) and VIC (4)).

- (d) all AWA staff (e.g. customer and non-customer facing staff, senior management etc.) will be offered a role within the merged entity (noting that the terms of employment will, at a minimum, be equivalent to the terms and conditions of employment at AWA that exist at the time the Scheme is implemented). AWA employees that accept roles within Beyond will join a significantly larger organisation with more diverse operations and therefore have greater exposure to career development opportunities and pathways that are otherwise unavailable at AWA.

Disadvantages

24 The key disadvantages of the Scheme for AWA members are as follows:

- (a) the underlying net tangible asset (NTA) backing per AWA Member Share for Primary Members will decline (based upon the difference between NTA per AWA Member Share and the pro-forma NTA per Beyond Member Share, refer paragraph 169). However, this analysis reflects a comparison between the Scheme and an option (i.e. the AB Model) that is no longer available to AWA (and is therefore largely irrelevant)
- (b) AWA members will forgo the opportunity to benefit from a possible future alternative transaction. The AWA Board has conducted a process to identify and evaluate its options and the only realistic alternative options (to the Scheme) that are available to AWA are the CB Model and a voluntary wind-up:
- (i) **CB Model** – for various reasons (which are outlined in this report and the Scheme Booklet), the CB Model is considered inferior to the Scheme
- (ii) **Voluntary wind-up** – a voluntary wind-up of AWA may result in AWA members receiving a cash payment (very broadly estimated on a pre-personal tax basis to be between \$3,000 to \$4,000¹⁹ per member²⁰). However, it is important that members recognise that this payment will come at the expense of having to forgo many other benefits (that are outlined at paragraph 197)²¹ and because of this, there is significant uncertainty as to whether a voluntary wind-up would garner the member support needed to be successfully implemented
- (c) the Scheme will require the integration of AWA's operations with those of Beyond, including the migration of AWA member loans and deposits, the rebranding of branches and the transition of AWA employees to Beyond staff. The integration of the two organisations is not without risk and there may be some short-term disruption to the services received by AWA customers. That said, Beyond has significant experience and capability in merging business as demonstrated by its strong track record of successful mergers over the past 15 years

¹⁹ The amount (which does not allow for any personal tax liabilities that may arise) is a relatively crude order of magnitude estimate only based on an assumed orderly realisation of net assets, and is dependent upon the other underlying assumptions adopted in its calculation (which are set out at paragraphs 193 to 195 inclusive, noting in particular that the time at which a wind-up may occur and the costs associated therewith are inherently uncertain). LEA does not provide any (express or implied) warranty or guarantee that the calculated amounts would actually be realised by AWA members in the event of wind-up. Actual amounts realised by AWA members in the event of a wind-up may be more or less than those estimated.

²⁰ Secondary Members would not be entitled to any payment.

²¹ The value of these other benefits (which may be forgone) will differ by AWA member and ultimately depend upon the relative importance a member attaches to the various aspects of their relationship with AWA (as well as their expectations of the benefits of being a member of Beyond). This is a matter for individual members and consequently, LEA is unable to provide any comment in this regard.

- (d) the AWA brand / identity (which has over 50 years of history) will cease to exist. While some AWA members may regard this as a disadvantage, we note that:
- (i) Beyond is committed to recognising AWA's heritage and will work with AWA to determine the best way for the merged entity to acknowledge its history
 - (ii) changes to the customer experience are expected to be relatively minor because, inter alia, AWA members will continue to be able to access branches in Geelong, Portland and Mandurah and the services offered in these branches are likely to continue to be delivered by familiar staff members²²
 - (iii) AWA's role in delivering banking products and services will be assumed by a mutual organisation that shares the same principles of mutuality as AWA²³
 - (iv) Beyond has made various commitments in respect of the continuation of AWA's existing community initiatives. Accordingly, whilst the delivery framework may change the initiatives should continue (at least in the short term).

Conclusion

- 25 **There are a number of advantages and disadvantages associated with the Scheme. Taking all of these into consideration, we are of the opinion that, on balance, the advantages of the Scheme outweigh the disadvantages. Consequently, in our view, the Scheme is reasonable and in the best interests of AWA members in the absence of a superior proposal.**
- 26 **However, the assessment is highly subjective and AWA members could reasonably weigh these factors differently. For example, certain AWA members may prefer to receive cash than enjoy the advantages associated with being a member of Beyond (which is a mutual and shares similar values and objectives as AWA). In that regard, AWA members should note that they will not receive a cash payment if the Scheme is implemented, but instead will become a member of Beyond. Should AWA members prefer a cash payment (very broadly estimated on a pre-personal tax basis to be between \$3,000 to \$4,000²⁴ per member²⁵) they would need to seek to wind-up AWA. However, members should recognise the risks inherent in such a decision²⁶ and note that if a wind-up was undertaken, all the benefits of the Scheme would be lost (including existing member and community benefits) and AWA members may need to make alternative arrangements for their day-to-day banking needs²⁷.**

²² Given that all AWA staff will be offered roles within Beyond.

²³ i.e. is also focused upon servicing its members and the communities in which their members reside, rather than being profit focused.

²⁴ The amount (which does not allow for any personal tax liabilities that may arise) is a relatively crude order of magnitude estimate only based on an assumed orderly realisation of net assets, and is dependent upon the other underlying assumptions adopted in its calculation (which are set out at paragraphs 193 to 195 inclusive, noting in particular that the time at which a wind-up may occur and the costs associated therewith are inherently uncertain). LEA does not provide any (express or implied) warranty or guarantee that the calculated amounts would actually be realised by AWA members in the event of wind-up. Actual amounts realised by AWA members in the event of a wind-up may be more or less than those estimated.

²⁵ Secondary Members would not be entitled to any payment.

²⁶ For example, there is significant uncertainty as to whether a voluntary wind-up would garner the member support needed to be successfully implemented.

²⁷ If AWA were to be wound up all AWA customers would automatically become direct customers of BEN and be subject to BEN's product pricing and terms.

General

- 27 This report is general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual AWA members. Accordingly, before acting in relation to the Scheme, AWA members should have regard to their own objectives, financial situation and needs. AWA members should also read the Scheme Booklet that has been issued in relation to the Scheme.
- 28 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether AWA members should vote for, or against the Scheme. This is a matter for individual AWA members based on their personal circumstances and the nature of their relationship with AWA, including the products and services they use and the importance they place on these products and services as well as their expectations of the benefits of being a member of Beyond. If AWA members are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, AWA members should seek independent professional advice.
- 29 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that AWA members read the remainder of our report.

Yours faithfully



Nathan Toscan
Authorised Representative



Craig Edwards
Authorised Representative

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I Details of the Scheme

Overview

30 An overview of the Scheme is set out at paragraphs 6 to 10.

Conditions precedent

31 The Scheme is subject to the satisfaction, or waiver of a number of conditions precedent, including the following which are outlined in the MIA:

- (a) regulatory approval from APRA in respect of the transfer of the AWA member loans, deposits and associated services / products from BEN to Beyond, and any other approvals required by law or any Regulatory Authority are granted before 5:00pm on the business day before the Second Court Date and remain in force as at 8:00am on the Second Court Date
- (b) no Regulator Initiated Action (as defined in the MIA) has occurred before 5:00pm on the business day before the Second Court Date
- (c) the ATO Comfort Letter (as defined in the MIA) is received by Beyond before 5:00pm on the second business day before the First Court Date
- (d) approval of the Scheme is granted by the Court in accordance with s411(4)(b) of the Corporations Act
- (e) AWA member approval of the Scheme by the requisite majorities at the Scheme meeting as well as AWA member approval of the Constitutional Amendment (described at paragraphs 34 to 37) at the general meeting
- (f) an independent expert issues a report to AWA stating that in its opinion the Scheme is in the best interests of AWA members before the date on which the Scheme Booklet is lodged with ASIC
- (g) no temporary, preliminary or final order, injunction, decision, or decree issued by any court of competent jurisdiction or other Regulatory Authority, material legal restraint or prohibition preventing, restraining or otherwise materially adversely affecting the Scheme, the transfer of the AWA member loans, deposits and associated services / products from BEN to Beyond, or the rights of Beyond in respect of AWA or the AWA Member Shares is in effect at 8.00am on the Second Court Date, and no Regulatory Authority has announced, commenced or threatened any action or investigation which may do so, or may require the divestiture by Beyond of any AWA Member Shares or the divestiture of any assets of the Beyond or AWA
- (h) no Prescribed Event in respect of either AWA or Beyond occurs on or before 8.00am on the Second Court Date
- (i) no material breach by either AWA or Beyond in respect of their obligations under the MIA as at 8:00am on the Second Court Date
- (j) the AWA Directors and the Beyond Directors are not aware of any claims, pending claims or threatened claims (including warranty claims) against either AWA or Beyond which exceed or are likely to exceed \$1.5 million as at 8.00am on the Second Court Date.

- 32 In addition, AWA has agreed that during the Exclusivity Period, it will not:
- (a) directly or indirectly solicit, invite, encourage or initiate any enquiry, proposal, negotiation or discussion with a view to obtaining any offer, enquiry, proposal or expression of interest from any person in relation to a competing transaction
 - (b) directly or indirectly participate in, continue or commence negotiations or discussions in relation to, or which may reasonably be expected to lead to, a competing transaction
 - (c) communicate to any person any intention to do any of the things in (a) or (b)
 - (d) enable, make available to or permit any third party to receive any non-public information relating to AWA or its business operations
 - (e) publicly recommend a competing proposal, and must not enter into any other agreement, understanding or arrangement that could reasonably be expected to reduce the likelihood of the Scheme's success, subject to a mandatory matching right regime²⁸.
- 33 Certain of the exclusivity obligations (relating to "no talk" and "no due diligence") do not apply in respect of a bona fide written competing proposal if AWA has complied with the various obligations set out in the MIA and the AWA Board determines, acting in good faith:
- (a) based on written advice from its financial advisers, that the competing proposal is, or may reasonably be expected to lead to, a competing transaction; and
 - (b) based on written advice from its external legal advisers, that compliance with its exclusivity obligations would be reasonably likely to be contrary to the fiduciary or statutory duties of the AWA Directors.

²⁸ After notifying Beyond of a competing transaction (within 48 hours of receipt), AWA must give Beyond at least five business days to provide a matching or superior proposal to the terms of the competing transaction.

II Scope of our report

Purpose

AWA Constitution

- 34 The AWA Constitution currently provides that AWA Member Shares are not transferrable and limits the number of shares that may be held by an AWA member to one. Additionally, it also provides a procedure for nominating Directors to the AWA Board and a requirement to the effect that a person must first be an AWA member to qualify as a Director of AWA. These requirements will no longer be appropriate once Beyond is the sole shareholder of AWA.
- 35 Accordingly, AWA will convene a general meeting to amend the AWA Constitution to remove the share transfer restriction, shareholding limit, the Director share qualification requirement and the Director nomination process (Constitutional Amendment). The general meeting will occur on the same day as the Scheme meeting. The Constitutional Amendment must be approved by at least 75% of the total number of votes cast on the resolution at the general meeting by those AWA members that are entitled to vote.
- 36 The Scheme cannot proceed if the Constitutional Amendment is not approved and the Constitutional Amendment will only be made if the Scheme becomes effective. As the Constitutional Amendment will only take effect moments prior to the Scheme being implemented, AWA members will only be impacted by the Constitutional Amendment for a brief moment in time, after which only Beyond (as the sole member) will be affected.
- 37 There is no requirement for an IER to be prepared in respect of the Constitutional Amendment and this report does not express any opinion (inferred or otherwise) on the Constitutional Amendment.

Corporations Act

- 38 The Scheme is implemented by way of a members' scheme of arrangement in accordance with Part 5.1 of the Corporations Act.
- 39 Pursuant to s411 of the Corporations Act, the Scheme must be approved by a majority in number (i.e. more than 50%) of AWA members present and voting (whether in person or by proxy) at the meeting, and by at least 75% of the total number of votes cast on the resolution. If approved by AWA members, the Scheme will then be subject to approval by the Court. Once the Court approves the Scheme it will become binding on all AWA members irrespective of whether they voted for or against the Scheme.
- 40 Part 3 of Schedule 8 of the Corporations Regulations prescribes the information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act. Paragraph 8303 of Schedule 8 of the Corporations Regulations requires the explanatory statement to include an IER in circumstances where the other party to the transaction holds not less than 30% of the voting shares in the company that is the subject of the scheme, or where a director of the other party to the transaction is also a director of the company that is the subject of the scheme. The IER must assess whether the proposed scheme is "in the best interests" of shareholders and state the reasons for that opinion.

- 41 Beyond does not have a relevant interest in AWA shares, nor do AWA or Beyond have any common directors. Accordingly, there is no requirement for an IER to be prepared for AWA members pursuant to the Corporations Act.

Conditions precedent and AWA Directors' recommendation

- 42 Although there is no legislative (or regulatory) requirement for AWA to obtain an IER, the Scheme is subject to a number of conditions precedent, including an independent expert concluding that the Scheme is “in the best interests” of AWA members. In addition, the AWA Directors' recommendation of the Scheme are each subject to an independent expert concluding, and continuing to conclude, that the Scheme is “in the best interests” of AWA members.

Our engagement

- 43 Accordingly, the Directors of AWA have engaged LEA to prepare an IER stating whether, in our opinion, the Scheme is “in the best interests” of AWA members and the reasons for that opinion. Our report will accompany the Scheme Booklet to be sent to AWA members.
- 44 It should be noted that this report is general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual AWA members. Accordingly, before acting in relation to the Scheme, AWA members have regard to their own objectives, financial situation and needs. AWA members should also read the Scheme Booklet that has been issued in relation to the Scheme.
- 45 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether AWA members should vote for, or against the Scheme. This is a matter for individual AWA members based on their personal circumstances and the nature of their relationship with AWA, including the products and services they use and the importance they place on these products and services as well as their expectations of the benefits of being a member of Beyond. If AWA members are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, AWA members should seek independent professional advice.

Basis of assessment

- 46 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111. RG 111 sets out the assessment framework that is to be adhered to by an expert in evaluating the merits of a transaction.
- 47 When an IER is prepared for a scheme that involves a change of control (essentially, where one party acquires more than a 20% equity interest in another party), ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).

- 48 **Fairness** involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme²⁹. A scheme is “fair” if the value of the scheme consideration is equal to, or greater than, the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being compensated for the actual (or deemed) change of “control” in ownership.
- 49 The Scheme will give rise to a change in control of AWA (because it will cease to be owned by members and instead become a wholly owned subsidiary of Beyond). However, AWA members are effectively swapping an interest in one mutual (AWA) for an interest in another mutual (Beyond), rather than giving up the benefits of their existing membership and exchanging their interest for cash³⁰ and/or marketable scrip in an acquiring entity³¹. Furthermore, in our opinion, it is not possible to assess the market value of a membership interest in either AWA or Beyond because (inter alia):
- (a) a membership interest in a mutual such as AWA and Beyond has no current realisable value, other than the repayment of the subscription price paid for the share when a person ceases to be a member (e.g. \$10)³²
 - (b) any “underlying value” within AWA (in excess of the subscription price) is not able to be accessed by members unless AWA is wound up (voluntarily or involuntarily) or the AWA Board takes action to change the status of AWA (e.g. by way of demutualisation) and the necessary majority of members approve this change. Neither of these actions is currently contemplated. Similar issues apply to Beyond. In this sense, the “underlying value” in both entities is contingent (and theoretical) only

The existing rights of AWA members therefore cannot be “valued” in any conventional sense (i.e. there is no “market value”) and cannot be compared directly with the “value” of the rights that will be obtained as members of Beyond
 - (c) the real value of membership is in the products, services and other benefits made available to members (and the communities in which members reside). These will vary from member to member depending on the extent to which members choose to utilise the products and services and take advantage of the benefits offered. This applies to membership of both AWA and Beyond.
- 50 Consequently, in our view, it is not relevant, meaningful or possible to form a view on whether the Scheme is “fair” (as defined within RG 111) and, as a result, we have only considered whether the Scheme is “reasonable” and “in the best interests” of AWA members.

²⁹ Assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length, noting that any special value that may be derived by a particular “bidder” should not be taken into account (e.g. synergies that are not available to other bidders).

³⁰ With the exception of Duplicate Members, who will receive cash consideration equivalent to the subscription price they originally paid for their AWA Member Share (e.g. \$10).

³¹ In these situations, the acquiring entity will typically have a single objective of maximising returns to its shareholders and will have no mandate to provide ongoing benefits to members as customers (or to return value to members as customers).

³² For example, under AWA’s Constitution, AWA Member Shares are not transferable or saleable and may be redeemed by AWA (refer to paragraphs 83 and 84).

- 51 **Reasonableness** involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal. A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 52 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of the members of the company.
- 53 We also note that it is generally accepted that in the context of a public company transaction, a proposal will be “in the best interests” of the members of a company if the advantages of the proposal outweigh its disadvantages. In effect, this is the same test as that used in forming a view on the “reasonableness” of a proposal and requires the consideration of the same factors.
- 54 Accordingly, for the purposes of this report we have assessed the overall impact of the Scheme on the members of AWA and formed a judgement as to whether the expected benefits outweigh any disadvantages and risks that might result. To the extent possible, we have compared quantifiable benefits with quantifiable disadvantages. However, many of the potential benefits and disadvantages are by their very nature difficult, or even impossible, to quantify or verify. In this context, the overall conclusion as to whether the advantages of the Scheme outweigh the disadvantages is to a large extent subjective.
- 55 In forming our opinion as to whether the advantages of the Scheme outweigh the disadvantages, LEA has considered the following:
- (a) the implications of the termination of the AB Model (in February 2025) for AWA’s business and the process undertaken by the AWA Board in response to the announced termination of the model
 - (b) the effects of the Scheme on AWA members as banking customers (e.g. breadth and depth of products and services offered, access to branches etc.)
 - (c) the effects of the Scheme on AWA members as shareholders (e.g. impact on rights and entitlements etc.)
 - (d) the impact of the Scheme on the community benefits currently provided by AWA
 - (e) the effect of the Scheme on AWA’s employees and any other key stakeholders
 - (f) the impact of the Scheme on AWA’s ability to pursue alternative transactions (and whether those transactions might be considered superior)
 - (g) other qualitative and strategic issues (including costs and risks) associated with the Scheme.

Limitations and reliance on information

- 56 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 57 Our report is also based upon financial and other information provided by AWA and its advisers. We understand the accounting and other financial information that was provided to

us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

- 58 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of AWA members. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 59 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or not considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex process that does not lend itself to a partial analysis or summary.
- 60 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 61 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 62 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
 - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the MIA and the Scheme itself.

III Profile of AWA

Overview

63 AWA Mutual Limited (AWA) is an “Alliance Bank” that, in partnership with Bendigo & Adelaide Bank Limited (BEN), provides a range of savings accounts, fixed term accounts, personal and business lending products, and foreign exchange services through its three branches: 49-51 Malop Street, Geelong VIC; Point Danger, Portland VIC; and 160 Pinjarra Road, Mandurah WA.

History and current operations

History

- 64 AWA was founded in Victoria in 1969 as Point Henry Credit Co-operative Limited, offering financial services to Alcoa of Australia Limited’s employees and their families. In 1990, the Point Henry Credit Co-operative Limited opened an office on site at Portland Aluminium in Victoria and began offering its services to Portland Aluminium employees and their families. In February 2002, the AWA Board approved a change of name to AWA Credit Union Limited in an attempt to better reflect the spread of members and to recognise its potential WA membership base.
- 65 In 2004, AWA began offering its services to Alcoa employees based in WA and in December 2004 opened a new branch in Mandurah, WA.
- 66 In 2006, AWA undertook a merger with Yennora Credit Union which further expanded its services to the employees of the Alcoa Yennora Plant in Sydney and their family members. AWA also merged with Geelong & District Credit Co-operative Society in 2011.
- 67 Toward the end of 2014, AWA closed its Point Henry and Yennora branches (in response to the closure of Alcoa’s operations in those regions) and relocated its head office to 49-51 Malop Street, Geelong.

Alliance Bank model

- 68 In 2015, AWA together with three other credit unions (the AB Partners)³³, restructured and implemented, in conjunction with BEN, a new operating model, the “Alliance Bank” model (AB Model).
- 69 The AB Model is an agency agreement between BEN and the AB Partners and is governed by the Alliance Bank Agreement. Under the model, an AB Partner distributes BEN’s banking products and services (e.g. deposit and loan accounts)³⁴ using its own Alliance Bank brand (AWA trades under the name “AWA Alliance Bank”)³⁵. While customers transact through the AB Partner, they remain at all times, depositors with and borrowers from BEN³⁶.

³³ BDCU, Circle, and Service One. Nova also restructured to become an “Alliance Bank” in 2018.

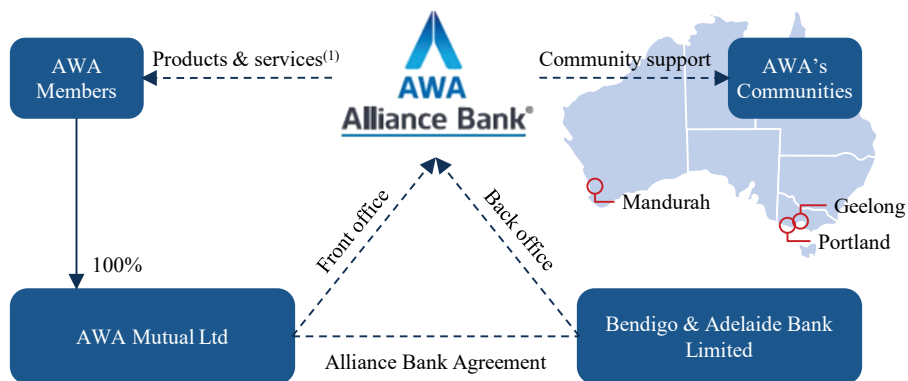
³⁴ And in limited circumstances, the products of other third party providers.

³⁵ Noting that BEN owns all the Alliance Bank trademarks (i.e. brands), not the AB Partners.

³⁶ For the avoidance of doubt, deposits and loans are recorded on BEN’s balance sheet, not the balance sheet of the AB Partner.

- 70 The parties to the Alliance Bank Agreement are responsible for the following functions:
- (a) the AB Partner (e.g. AWA) remains responsible for all of its front office operations, including the operation of the physical branch network, employment of service staff, product branding and marketing, member verification and risk management, application processing, product pricing (within parameters approved by BEN), customer interaction and relationship management
 - (b) BEN acts as the ADI and provides all back office processes related to product manufacturing (including internet and mobile application banking), capital and liquidity management, ADI regulatory requirements, compliance training, credit risk, collections management, and billing.
- 71 The fees and commissions generated from account management, along with the net interest margin (NIM) generated on loans, are split between BEN and the AB Partner at agreed rates (as specified in the Alliance Banking Agreement).
- 72 Importantly, BEN did not acquire AWA (or any of the other AB Partners). AWA remains an independent mutual financial services organisation, that is owned by its members, and continues to focus upon serving them and the communities in which they live and work. That said, as part of the 2015 restructure, AWA surrendered its ADI licence. It is therefore unable to independently carry out banking operations such as receive deposits and/or provide loans³⁷ (i.e. outside the AB Model similar operating framework) and can no longer call itself a credit union. Accordingly, as a result of the restructure AWA changed its name from AWA Credit Union Limited to AWA Mutual Limited.
- 73 A visual representation of the AB Model as it applies to AWA is presented below:

AWA Alliance Bank – ownership and operating structure



Note:

- 1 Pursuant to its Constitution, AWA may also provide services to customers that are not members (albeit at present all customers are members).

³⁷ However, it should be noted that under the NCCP Act, AWA is not required to hold a credit licence in order to lend to not-for-profit organisations so long as total loaned monies do not exceed 50% of its total assets.

- 74 The initial term of the Alliance Bank Agreement ends in February 2025 and BEN has advised AWA (and the other AB Partners) that it will not renew the model beyond that date. As a result, if AWA wishes to continue to provide banking products and services to its members, it will need to implement a different operating framework, either by partnering with another ADI licensed institution or by collaborating with BEN in a different way (noting that BEN proposed that AWA transition to BEN’s franchise arrangement, the “Community Bank” model (CB Model)).
- 75 In response, the AWA Board commenced a process to identify and evaluate its options³⁸, with a view to selecting the option which, having regard to AWA’s MVP and constitutional objectives, it considered to provide the greatest advantage to AWA members. The proposed Scheme with Beyond represents the preferred option that arose out of that process.

AWA’s Constitutional objectives and member value proposition

- 76 As noted above, AWA remains an independent mutual financial services organisation, that is owned by its members, and continues to focus upon serving them and the communities in which they live and work.
- 77 AWA’s primary objectives as a mutual are documented within its Constitution. The Constitutional objectives are supplemented by AWA’s MVP. The relevant section of AWA’s Constitution and its current MVP can be found at Appendix C to this report.

Community initiatives

- 78 AWA contributes to its members’ communities through a number of initiatives that are delivered through two key partnership arrangements:
- (a) **philanthropic partnerships** – AWA provides financial support through the distribution of grants, sponsorships and donations to foundations, charities and other not-for-profit organisations in the community in which it operates. AWA distributed \$205,000 in financial support through philanthropic partnerships in FY23³⁹
 - (b) **share value partnerships** – AWA assists community partner organisations (e.g. local sporting clubs such as basketball, football, cricket etc) through the following initiatives:
 - (i) social impact lending⁴⁰ – the provision of concessional (i.e. low interest rate) and commercial (i.e. standard interest rate) loans to strategic partners to help fund projects that deliver benefits to the community
 - (ii) revenue share arrangements – AWA shares with the strategic partner a proportion of revenue generated on accounts and loans that are established by customers that have been referred to AWA by the strategic partner.

³⁸ Noting that AWA has the right to request that BEN transfer AWA Alliance Bank’s loans and deposits to another ADI. BEN may refuse a request to transfer the loans and deposits if the proposed transferee is not an ADI, where BEN would breach a legal or regulatory requirement, or where it would be unable to complete the transfer in accordance with the procedural requirements of the AB Model.

³⁹ Source: AWA Mutual Ltd annual report for the year ended 30 June 2023.

⁴⁰ As noted in paragraph 3, although AWA no longer holds a banking licence it is still capable of lending to not-for-profit organisations under the NCCP Act, provided that total loaned monies do not exceed 50% of its total assets.

In FY23, AWA's strategic partners saved approximately \$48,978 in interest (on concessional loans) and received \$138,354 in shared revenue⁴¹.

Financial performance

79 The financial performance of AWA for the four years ended 30 June 2023 (FY23) is set out below:

AWA – statement of financial performance⁽¹⁾				
	FY20	FY21	FY22	FY23
	Audited	Audited	Audited	Audited
	\$000	\$000	\$000	\$000
Shared margin income ⁽²⁾	2,461	2,870	3,125	3,742
Interest income ⁽³⁾	191	118	108	367
Non-interest income ⁽⁴⁾	692	696	758	421
Total operating income	3,344	3,684	3,990	4,529
Community initiative expenses ⁽⁵⁾	(412)	(337)	(369)	(343)
Computer systems expense	(106)	(110)	(108)	(110)
Employee benefits expense	(1,627)	(1,795)	(1,621)	(1,903)
Other operating expenses ⁽⁶⁾	(1,176)	(1,494)	(1,044)	(1,932)
Total operating expenses	(3,322)	(3,736)	(3,142)	(4,288)
Profit before tax (PBT)	23	(52)	848	241
Income tax expense	(11)	(16)	(166)	(19)
Net profit after tax (NPAT)	12	(67)	682	222

Note:

- 1 Rounding differences may exist.
- 2 AWA's share of interest, fee and commission revenue earned under the Alliance Bank Agreement.
- 3 Interest income on strategic partner loans as well as interest generated on term deposits.
- 4 Comprises the following:

Dividend income	-	183	185	222
Fee income	-	34	33	35
Rental income	-	28	35	36
Commission revenue	-	324	185	79
Government subsidies	-	38	-	-
Unwinding of partner loan discount	86	74	202	-
Re-measurement of credit loss provision	-	-	111	49
Other sources of revenue	-	16	7	-
Total other income	692	696	758	421
- 5 Comprises the following:

Payments to philanthropic partners	(291)	(161)	(205)	(205)
Revenue share payments to strategic partners	(121)	(176)	(164)	(138)
- 6 Includes restructuring costs of \$547,052 in FY23.

Source: AWA.

⁴¹ Source: AWA Mutual Ltd annual report for the year ended 30 June 2023.

80 In respect of the above, we note that:

- (a) **FY20** – AWA provided additional community support through the distribution of approximately \$150,000 worth of COVID-19 relief payments to its philanthropic partners, increasing total donations for the year to approximately \$291,000. This contributed to significantly higher operating expenses (relative to total income), resulting in breakeven profitability for the year
- (b) **FY21** – AWA’s profitability was materially impacted by a one-off loss of approximately \$184,000 due to the re-measurement of its expected credit loss provision. The re-measurement was associated with a significant increase in credit risk on two loans (due to the economic impacts of COVID-19). In addition, employee benefits expenses were materially higher than prior periods due to additional costs incurred during the period of transition to a new CEO
- (c) **FY22** – AWA achieved significant growth in profits and profit margins over the financial year, primarily due to:
 - (i) non-interest income of \$202,000 associated with the unwinding of partner discounts. AWA recontracted its concessional loan agreements with strategic partners during the year, whereby the interest rate on such loans was recontracted from below market interest rates to commercial interest rates. The loans no longer met the definition of a concessional loan for accounting purposes, resulting in the unwinding of loan discounts and materially higher income for the year
 - (ii) a one-off gain of approximately \$111,500 associated with the re-measurement of its expected credit loss provision due to updated credit risk assessments performed on loans that were previously impaired, resulting in a one-off write-back of its expected credit loss provision
 - (iii) a reduction in operating expenses, which decreased by approximately 15.9% relative to FY21
- (d) **FY23** – AWA’s profit declined in FY23, notwithstanding an increase in shared margin income relative to FY22 (as a result of the increasing interest rate environment). The decline in profitability was primarily due to expected one-off staff restructuring costs of \$547,052 associated with the change in AWA’s management structure in relation to the implementation of the Scheme.

Financial position

81 The financial position of AWA as at 30 June 2021, 2022 and 2023 is set out below:

AWA – statement of financial position⁽¹⁾

	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$000	\$000	\$000
Cash and short term deposits	2,579	2,712	1,286
Trade and other receivables	367	348	340
Net loans and advances (NLA)	3,913	3,069	2,539
Investments	7,868	8,639	11,505
Prepayments	14	21	21
Deferred tax assets	342	416	358
Property, plant and equipment (PP&E)	267	198	144
Right-of-use (ROU) assets	1,182	1,122	1,067
Investment property	23	9	19
Intangible assets (capitalised software costs)	11	6	2
Total assets	16,567	16,540	17,281
Trade and other liabilities	(418)	(315)	(547)
Income tax payable	(222)	(51)	-
Member withdrawable shares	(42)	(42)	(41)
Employee benefit liabilities	(927)	(912)	(497)
Lease liabilities	(1,270)	(1,220)	(1,204)
Restructuring cost provision	-	-	(547)
Lease make good provisions	(29)	(30)	(31)
Total liabilities	(2,907)	(2,571)	(2,866)
Net assets	13,660	13,970	14,415
Net tangible assets (NTA)	13,648	13,964	14,413
<i>Total AWA Member Shares (#)</i>	<i>4,189</i>	<i>4,203</i>	<i>4,073</i>
<i>NTA per member share⁽²⁾ (\$)</i>	<i>3,268</i>	<i>3,332</i>	<i>3,549</i>

Note:

1 Rounding differences may exist.

2 Being NTA, adjusted to exclude the liability entitled “member withdrawable shares”, divided by total AWA Member Shares on issue (refer paragraph 85).

Source: AWA.

82 In respect of the above, we note that:

- (a) **cash and short term deposits** – comprises cash on hand and deposits at call with other financial institutions. Whilst AWA is not required by APRA to hold a certain level of cash for liquidity purposes, the AWA Board decided to cap the amount of cash invested in its managed funds portfolio, with all additional funds held in cash and short term deposits
- (b) **loans and advances** – a breakdown of AWA’s loans and advances for the last three reporting periods is set out below:

AWA – loans and advances⁽¹⁾						
	30 Jun 21		30 Jun 22		30 Jun 23	
	Audited		Audited		Audited	
	\$000	%	\$000	%	\$000	%
Commercial loans	1,677	40.9	1,091	34.7	839	32.7
Commercial loans - strategic partners	-	-	2,051	65.3	1,724	67.3
Concessional loans - strategic partners ⁽²⁾	2,420	59.1	-	-	-	-
Gross loans and advances (GLA)	4,097	100.0	3,142	100.0	2,563	100.0
Provision for expected credit losses	(184)		(72)		(23)	
NLA	3,913		3,070		2,539	

Note:

- 1 Rounding differences may exist.
- 2 Concessional strategic loans are reported net of concessional discount.

- (c) **investments** – a breakdown of AWA’s investments for the last three reporting periods is set out below:

AWA – investments⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$000	\$000	\$000
Term deposits	3,000	4,000	6,000
Equity instruments	2,753	2,518	2,711
Debt instruments	2,114	2,121	2,794
Total investments	7,868	8,639	11,505

Note:

- 1 Rounding differences may exist.

Equity and debt instruments relate to AWA’s investment portfolio of listed equity shares and convertible notes and are recognised at fair value (with fair value adjustments recognised as a part of other comprehensive income)

- (d) **PP&E** – comprises office furniture and equipment, capitalised leasehold improvements and motor vehicles net of depreciation
- (e) **ROU assets and lease liabilities** – a breakdown of AWA’s ROU assets and lease liabilities for the last three reporting periods is set out below:

AWA – ROU assets and lease liabilities⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$000	\$000	\$000
ROU assets	1,182	1,122	1,067
Sublease	23	9	19
Lease liabilities	(1,270)	(1,220)	(1,204)
Net lease liabilities	(64)	(89)	(118)

Note:

- 1 Rounding differences may exist.

AWA leases its Geelong, Portland and Mandurah branches on terms that range from five to 16 years. A portion of the Geelong branch is subleased to Enhance Connect (noting that the subleased element is not recorded as an ROU asset of AWA). AWA generated rental income of \$28,158, \$35,000 and \$36,137, respectively in FY21, FY22, and FY23. The sublease is scheduled to end on 31 January 2024 with no further options to extend

- (f) **employee benefit liabilities** – comprises employee annual leave and long service leave provisions
- (g) **restructuring provision** – comprises estimated staff restructuring cost provisions in respect of the implementation of the Scheme and is expected to be utilised during FY24.

Membership and shares on issue

- 83 AWA is a mutual organisation that is owned by its members, who are also its customers⁴². A person can only become a member by subscribing for an AWA Member Share. The subscription price for each AWA Member Share is \$10 and ordinarily, shares are not transferrable or saleable. An AWA Member Share confers the right to:
- (a) one vote, and only one vote, at member meetings
 - (b) participate in the mutual's profits through payment of dividends (however, AWA has never paid a dividend)⁴³
 - (c) participate in the surplus assets (if any) in the event of a wind-up.
- 84 A member may request termination of their membership and the mutual may also terminate a membership if that member has been inactive (i.e. has not initiated any transactions in relation to AWA's products and services for a period of 12 months), or the AWA Board determines that the member has failed to fulfil their obligations, engaged in misconduct, or obtained membership through misrepresentation or mistake. Upon termination of membership, AWA Member Shares are redeemed at the subscription price, less any unpaid amounts.
- 85 Due to the redeemable nature of AWA Member Shares, the paid up capital on the shares is recorded as a liability on AWA's balance sheet ("Member withdrawable shares"). As at 30 June 2023, there were 4,073 AWA Member Shares on issue (and corresponding paid up capital of \$40,730).
- 86 In addition, AWA has some 1,841 Secondary Members, being the secondary member of an AWA membership that is held jointly by two or more members⁴⁴. Only one AWA Member Share is issued per joint membership (and this is registered in the name of the Primary Member). Secondary Members have not contributed any capital and have no voting rights⁴⁵.

⁴² However, AWA may provide products and services to customers who are not members.

⁴³ At least 50% of AWA's profit each year is to be re-invested into ongoing operations and in a manner which is consistent with the objectives of operating a social enterprise.

⁴⁴ Secondary Members are typically the spouse of a Primary Member.

⁴⁵ Under joint membership, only the Primary Member is entitled to vote (because the share is registered in their name).

IV Profile of Beyond

Overview

87 Beyond Bank Australia Limited (Beyond) is a customer-owned bank that offers a traditional range of retail and business banking products and services including savings and business transaction accounts, online banking, home loans, personal and business loans and credit cards. It also provides a range of financial planning services in partnership with Bridges Financial Services and insurance products⁴⁶. Beyond’s branch network is located in NSW, SA, WA, the ACT, and VIC.

History

88 Beyond, which was originally known as Community CPS Australia Limited (Community CPS), was formed in 2006 as a result of the merger of CPS Credit Union SA (established 1958) and CPS Credit Union Co-operative ACT (established 1960). Beyond today is made up from over 40 mergers with credit unions across Australia and has grown to become one of Australia’s largest customer owned banks. A timeline of its key mergers is set out below:

Beyond – timeline of key mergers (post formation)

Date	Key merger
2008	• Merged with United Credit Union, ATO Employees Credit Union, and Polish Credit Union
2010	• Merged with Companion Credit Union
2011	• Merged with Wagga Mutual Credit Union
2013	• Merged with Alliance One Credit Union
2016	• Merged with Country First Credit Union
2017	• Merged with MY Credit Union
2020	• Merged with Nexus Mutual
2022	• Merged with South West Credit Union (SWCU)
2023	• Announced plans to merge with First Choice Credit Union (FCCU) (refer paragraph 113)
2023	• Entered into a MIA with AWA pursuant to which it is proposed that Beyond will acquire 100% of the shares on issue in AWA

89 In 2013, Community CPS successfully applied to convert to a mutual bank and on 1 August 2013 commenced trading as a customer owned bank under the business name “Beyond Bank Australia”. In November 2018, Community CPS changed its company name to “Beyond Bank Australia Limited”.

Current operations

90 Beyond offers a traditional range of retail banking products and services including savings accounts, online banking, home loans, personal loans and credit cards as well as a range of financial planning services and insurance products (which are underwritten by Allianz Australia). Beyond also provides a range of business banking services including business loans, business transaction accounts and payment solutions.

91 Beyond operates 48 branches in regional and metropolitan locations across NSW (17), SA (14), WA (7), ACT (6) and VIC (4). Its registered office is located at 100 Waymouth Street, Adelaide SA, and it operates six regional administration centres in each State and Territory

⁴⁶ Which are underwritten by Allianz Australia.

that support its branch operations. As at 30 June 2023, Beyond serviced over 290,000 customer-members and employed approximately 750 staff across its national footprint.

- 92 As a mutual organisation, Beyond aims to create and return value to its customer-members (through better rates, superior customer service etc.) as well as the communities in which its customers live and work. Beyond uses its profits to strengthen its members' communities through a number of initiatives:
- (a) **Beyond Bank Australia Foundation** – Beyond established the foundation in 2007. The foundation is funded annually from a percentage of profits from Beyond. The key areas of focus of the foundation include aged care and disability support, housing affordability and financial education. The foundation also provides support during times of natural disaster. Since its inception, the foundation, in conjunction with its community programs, has contributed more than \$27 million to community groups through sponsorships, grants and donations
 - (b) **Community Development** – Beyond's Community Development Division partners with not-for-profit and community organisations to develop plans that further the organisation's goals through banking products, sponsorship, fundraising, volunteering and other related activities
 - (c) **Community Investment Program** – Beyond's Community Investment Program utilises the foundation's funds to provide financial support to community organisations through donations (both cash and non-cash) and event sponsorships. In addition to financial support, the Community Development Division assists partners in the rollout of program initiatives, fundraising events and other related activities. The program comprises a number of partnership components including:
 - (i) **aged care** – partnering with aged service providers and assisting in the delivery of much needed aged care support in Beyond's local regions, to make it easier for older members of its community and their families to look after their mental and physical health
 - (ii) **disability support** – partnering with disability service providers across a range of issues and initiatives with a particular focus on housing, care support, and employment
 - (iii) **affordable housing** – working with like-minded organisations by providing funding and support to initiatives and programs that support affordable housing options for all
 - (iv) **"Beyond Money" program** – providing a financial education to primary school students with a fun, in-depth and engaging education in money management. Beyond believes that understanding the value of money positively influences financial wellbeing for individuals, making for a more prosperous, successful community
 - (d) **Community Reward Program** – Beyond assists not-for-profits and community organisations undertaking fundraising through its Community Reward Accounts, a type of savings account that allows supporters to raise funds for their nominated club or cause by increasing the balance of their savings. Beyond provides a proportion of the interest earned on reward account balances to the nominated organisation.

- 93 In 2015, Beyond was awarded B Corporation (B Corp) certification. B Corp accredited organisations use their products, practices and profits to impact all stakeholders positively. To become a certified B Corp, businesses are assessed on the positive impacts made on their community, workers, environment, governance and customers. The assessment is externally verified and is reviewed periodically to ensure best practice and changing community expectations are captured. Beyond was recertified as a B Corp in 2022, further increasing its B Corp score from 97.5 to 146.7 (the highest for any financial services provider in Australia and the sixth highest globally).

Financial performance

- 94 The financial performance of Beyond for the four years ended FY23 is set out below:

Beyond – statement of financial performance⁽¹⁾				
	FY20	FY21	FY22	FY23
	Audited	Audited	Audited	Audited
	\$m	\$m	\$m	\$m
Interest revenue	222.4	201.8	190.9	324.1
Interest expense	(89.6)	(55.2)	(35.0)	(154.0)
Net interest revenue	132.8	146.6	155.9	170.1
Non-interest income	24.4	23.5	28.1	30.0
Total operating income	157.2	170.1	184.0	200.1
Operating expenses	(117.4)	(124.1)	(130.7)	(148.6)
Operating profit before impairment expense	39.8	46.0	53.3	51.5
Impairment expense	(4.2)	0.6	(1.5)	0.3
Operating profit	35.6	46.6	51.8	51.8
Net non-operating income / (expenses)	(0.3)	-	(2.4)	(1.6)
PBT	35.3	46.6	49.4	50.2
Income tax expense	(10.1)	(13.8)	(13.9)	(14.7)
NPAT	25.2	32.8	35.5	35.5

Note:

1 Rounding differences may exist.

Source: Beyond.

- 95 In respect of the above, we note that:

- (a) **FY20** – notwithstanding difficult trading conditions (the Reserve Bank of Australia (RBA) reduced its cash rate from 1.25% in July 2019 to 0.25% by June 2020), Beyond reported NPAT of \$25.2 million, an increase of 29.6% relative to the prior year. Beyond incurred non-recurring expenses of some \$0.7 million related to the Nexus Mutual merger, which completed in March 2020. The merger increased Beyond’s loan portfolio by some \$301 million and its member deposits by approximately \$323 million. Beyond paid dividends of \$16,921 to its D Class shareholders during the year
- (b) **FY21** – Beyond continued to achieve growth in annual NPAT, despite ongoing interest rate margin pressure, with the RBA further reducing the cash rate to a historic low of 0.1% in November 2020. NPAT increased by 30.2% to \$32.8 million, driven by a 4.7% increase in the bank’s loan portfolio, representing growth of \$279 million over the year. Beyond paid dividends of \$9,099 to its D Class shareholders during the year
- (c) **FY22** – NPAT increased by 8.2% to \$35.5 million, driven by strong growth in Beyond’s loan portfolio, which increased by \$636 million or 10.3% over the year. The

bank completed its merger with SWCU during the year, which increased its loan portfolio by approximately \$99 million and its member deposits by some \$193 million. Beyond's reported result was impacted by non-recurring costs of \$0.4 million in relation to the merger, in addition to an impairment loss of \$0.9 million related to equity accounted investments. Beyond paid dividends of \$3,622 to its D Class shareholders during the year

- (d) **FY23** – notwithstanding strong growth in Beyond's loan portfolio, which increased by \$614 million or 9.0% over the year, NPAT growth was flat for the year. This was primarily due to inflationary pressures on Beyond's operating costs, which increased materially in the second half of the financial year. The result was also impacted by significant pressure on interest margins, primarily in respect of ultra-low rate borrowings, such as the RBA's Term Funding Facility, which has begun to be repaid and replaced with alternative borrowings at a much higher cost during the period. Beyond paid dividends of \$10,242 to its D Class shareholders during the year.

Financial position

96 The financial position of Beyond as at 30 June 2021, 2022 and 2023 is set out below:

Beyond – statement of financial position⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$m	\$m	\$m
Cash and cash equivalents	114.1	131.8	155.3
Prepayments and other receivables	14.7	87.7	75.1
Investment instruments	1,382.7	1,168.9	1,194.9
Net loans and advances	6,167.0	6,802.6	7,417.0
Other investments	21.2	27.2	27.2
ROU assets	25.8	21.8	21.3
PP&E	18.4	19.5	17.0
Intangible assets (capitalised software costs)	1.2	0.6	0.2
Net deferred tax assets	6.1	5.2	5.0
Net derivative asset	-	-	2.5
Total assets	7,751.2	8,265.3	8,915.5
Deposits from members	(5,977.3)	(6,552.2)	(6,935.3)
Trade and other payables	(1.0)	(18.3)	(12.6)
Lease liabilities	(33.5)	(28.9)	(27.6)
Borrowings	(1,141.6)	(1,017.3)	(1,256.0)
Employee benefits	(11.9)	(12.9)	(13.4)
Current tax liabilities	(3.7)	(2.7)	(0.4)
Total liabilities	(7,169.0)	(7,632.3)	(8,245.3)
Net assets	582.2	633.0	670.2
NTA	581.0	632.4	670.0
<i>Total Beyond Member Shares (#)</i>	<i>263,512</i>	<i>270,150</i>	<i>290,503</i>
<i>NTA per member share⁽²⁾ (\$)</i>	<i>2,206</i>	<i>2,342</i>	<i>2,308</i>

Note:

- 1 Rounding differences may exist.
- 2 Being NTA, adjusted to exclude paid up capital on Beyond Member Shares (which are reported as a component of “deposits from members”, refer paragraph 105) and paid up capital on D Class Shares (which are reported as a component of “owners’ equity”, refer paragraph 119), divided by total Beyond Member Shares on issue.

Source: Beyond.

97 In respect of the above, we note that:

- (a) **cash and cash equivalents** – comprises cash on hand and deposits at call with other financial institutions
- (b) **investment instruments** – a breakdown of Beyond’s investment instruments is set out below:

Beyond – investment instruments⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$m	\$m	\$m
Bank deposits	73.4	17.5	40.9
Negotiated certificates of deposit and floating rate notes	911.9	775.1	907.4
Bonds	308.3	284.3	157.6
Other deposits	89.5	92.3	89.5
Total before impairment	1,383.1	1,169.2	1,195.4
Provision for impairment	(0.4)	(0.3)	(0.5)
Total investment instruments	1,382.7	1,168.9	1,194.9

Note:

- 1 Rounding differences may exist.

- (c) **ROU assets and lease liabilities** – a breakdown of Beyond’s ROU assets and lease liabilities for the above reporting periods is set out below:

Beyond – ROU assets and lease liabilities⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$m	\$m	\$m
ROU assets	25.8	21.8	21.3
Lease liabilities	(33.5)	(28.9)	(27.6)
Net lease liabilities	(7.7)	(7.1)	(6.3)

Note:

- 1 Rounding differences may exist.

- (d) **PP&E** – comprises land and buildings (Beyond owns the buildings at which four of its branches are located⁴⁷), plant and equipment and leasehold improvements

⁴⁷ 105 Mawson Drive, Mawson ACT, 113 Cunninghame Street, Sale VIC, 48 Pine Avenue, Leeton NSW and 117 Lava Street, Warrnambool VIC.

- (e) **employee benefits** – comprises provisions for annual leave and long service leave, in addition to termination benefit provisions⁴⁸.

98 A brief discussion of other key balance sheet items is presented below.

Loans and advances

99 Beyond’s loan book for the above periods was as follows:

Beyond – loans and advances⁽¹⁾						
	30 Jun 21		30 Jun 22		30 Jun 23	
	Audited		Audited		Audited	
	\$m	%	\$m	%	\$m	%
Revolving credit loans	90.6	1.5	85.5	1.3	77.8	1.0
Term loans	6,082.7	98.5	6,724.4	98.7	7,345.4	99.0
GLA	<u>6,173.3</u>	100.0	<u>6,809.9</u>	100.0	<u>7,423.2</u>	100.0
Provision for impairment	(6.3)		(7.3)		(6.2)	
NLA	<u>6,167.0</u>		<u>6,802.6</u>		<u>7,417.0</u>	
Off-balance sheet securitised loans	11.8		11.5		3.0	
Total on and off balance sheet loans	<u>6,178.8</u>		<u>6,814.1</u>		<u>7,420.0</u>	
Risk weighted assets (RWA)⁽²⁾	3,330.4		3,562.5		3,630.4	

Note:

- 1 Rounding differences may exist.
- 2 Per Beyond Public Disclosures of Prudential Information as at 30 June 2021, 30 June 2022, and 30 June 2023.

100 Beyond holds collateral against loans and advances to members in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. As at 30 June 2023, Beyond’s loan customers were located in SA (28.2%), NSW (18.3%), WA (15.3%), ACT (14.2%), VIC (13.1%), and other locations (10.8%). No loans or groups of loans represent more than 10% of capital.

101 Term loans also include loans issued under Beyond’s Barton securitisation program. Under the program, Beyond sells the rights to future cash flows of eligible residential home loans into the Barton program and receives funds equal to the aggregated outstanding balances on all loans which the Barton program purchases and then subsequently issues notes for investors to invest in. Whilst the cash flows have been transferred, Beyond has been appointed to service the loans, and as result, the loans remain on Beyond’s balance sheet. As at 30 June 2023, Barton Program securitised loans represented 13.4% of Beyond’s GLA.

102 Off-balance sheet securitised loans represent a small parcel of loans for which Beyond has engaged a third party to provide funding for lending. The arrangement represents a clean sale

⁴⁸ Termination benefits are recognised as an expense when Beyond is committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer encouraging voluntary redundancy, and it is probable that the offer will be accepted.

of loan receivables that effectively transfers the risks and rewards of ownership to the third party, and as a result, these loans do not qualify for recognition on Beyond's balance sheet.

Asset quality

103 An overview of Beyond's loan provisions for the above reporting periods is set out below:

Beyond – loan provisions⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$m	\$m	\$m
Specific provision	1.4	2.1	1.4
Collective provision	4.9	5.2	4.8
General reserve for credit losses (GRCL)	28.9	-	-
Total provisions and GRCL	35.2	7.3	6.2
Specifically impaired loans	14.9	14.0	16.4
Collectively impaired loans	21.7	20.8	23.4
Impaired loans	36.6	34.8	39.8
Past due but not impaired loans	97.7	71.4	120.9

Note:

1 Rounding differences may exist.

104 Under APRA Prudential Regulations a GRCL was required to be maintained to provide an additional reserve against possible volatility in future cash flows as a result of unexpected loan defaults. However upon the release of the most recent version of Prudential Standard APS 220 (applicable from 1 January 2022), this reserve is no longer required to be maintained and the balance of this reserve was transferred to retained earnings during FY22.

Funding mix

105 Beyond funds its portfolio of loans and advances through the retail and wholesale markets as well as through securitisation. Set out below is a summary of Beyond's funding mix for the above reporting periods:

Beyond – funding sources⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$m	\$m	\$m
Beyond Member Shares ⁽²⁾	0.7	0.7	0.7
Member deposits – at call	3,784.8	4,456.7	4,240.2
Total Member deposits – at call	3,785.5	4,457.4	4,240.9
Member deposits – term	2,191.8	2,094.8	2,694.4
Total Member deposits	5,977.3	6,552.2	6,935.3
Negotiated certificates of deposit (NCD)	-	50.8	107.7
Term funding facility (RBA)	289.8	295.3	181.9
Securitised loan funding	849.3	668.7	963.9
Subtotal	7,116.4	7,567.0	8,188.8
Subordinated debt	2.5	2.5	2.5
Total funding (excluding equity)	7,118.9	7,569.5	8,191.3

Note:

- 1 Rounding differences may exist.
 - 2 Represents paid up capital on Beyond Member Shares (which must be repaid in the event that a person ceases to be a member. These amounts are therefore effectively at call).
-

- 106 Beyond's funding requirements are primarily met from member deposits, which increased by 12.4%, 9.6% and 5.8% in FY21, FY22 and FY23 respectively. Beyond's deposit portfolio does not include any deposits or groups of deposits that represent a material concentration in terms of the source liability.
- 107 Beyond also sources funding through its Barton securitisation program, whereby residential mortgage loans are sold as securities to trusts. Trusts fund each acquisition through the issue of notes that have a maturity profile tied to the maturity profile of the associated securitised loans.
- 108 Beyond issues NCDs to wholesale investors in the domestic market from time to time to assist in meeting shorter term liquidity needs. NCDs issued usually have terms of less than one year.
- 109 Beyond participated in the RBA's two Term Funding Facility programs in 2020 and 2021. Under the 2020 program, Beyond accessed \$175 million in three year funding at a fixed rate of 0.25%. Under the 2021 program, Beyond accessed \$120 million in three year funding at a fixed rate of 0.10%. A proportion of this funding was repaid during FY23, with the remainder to be repaid as it matures over the second half of 2023 and 2024.

APRA requirements (capital adequacy and liquidity)

- 110 Beyond is subject to minimum capital requirements imposed by APRA. APRA requires ADIs to have a minimum total capital ratio (being the sum of Tier 1 and Tier 2 capital) to RWA of 8%, with 6% of this required to be Tier 1 capital⁴⁹. Additionally, Beyond's internal capital management policy set by the Board requires a minimum total capital adequacy ratio of 13.5%.
- 111 Beyond is also required to maintain at least 9% of its total adjusted liabilities as high quality liquid assets⁵⁰ under APRA prudential standards.
- 112 Beyond's recent capital adequacy and liquidity ratios are as follows:

⁴⁹ Source: APRA Prudential Standard APS 110 – *Capital Adequacy* dated January 2023.

⁵⁰ Includes cash and Australian Government securities.

Beyond – capital adequacy and liquidity ratios⁽¹⁾			
	30 Jun 21	30 Jun 22	30 Jun 23
	Audited	Audited	Audited
	\$m	\$m	\$m
Tier 1 capital	515.3	579.2	611.4
Tier 2 capital ⁽²⁾	31.4	2.5	2.5
Total capital	546.7	581.7	613.9
RWA	3,330.4	3,562.5	3,630.4
<i>Tier 1 capital ratio (%)</i>	<i>15.47</i>	<i>16.26</i>	<i>16.84</i>
<i>Tier 2 capital ratio (%)</i>	<i>0.94</i>	<i>0.07</i>	<i>0.07</i>
<i>Total capital ratio (%)</i>	<i>16.42</i>	<i>16.33</i>	<i>16.91</i>
<i>Total liquidity (%)⁽³⁾</i>	<i>18.5</i>	<i>14.7</i>	<i>14.5</i>

Note:

- 1 Rounding differences may exist.
- 2 Consists of subordinated debt and GRCL (30 June 2021 only).
- 3 Ratio of liquid funds (liquid assets that can be quickly converted into cash) to total adjusted liabilities.

Significant events post 30 June 2023

- 113 In September 2023, Beyond announced its plan to merge with FCCU, a mutual based in Orange, NSW. FCCU has a member base of approximately 4,000 members that are serviced by its branch in Orange, as well as agencies in Canowindra, Cudal, Manildra and Molong.
- 114 Under the proposed merger, FCCU will be integrated into Beyond's existing operations via a voluntary transfer of business from FCCU to Beyond under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth). The merger is subject to regulatory and member approval and is expected to take effect on 1 February 2024, with all existing staff offered roles in the merged organisation. FCCU members will become members of Beyond (i.e. FCCU members will receive a new Beyond Member Share at a subscription price equivalent to the price they originally paid for their FCCU member share).
- 115 The following table sets out a calculation of the indicative pro-forma NTA per member of Beyond on a post FCCU merger basis (assuming the merger was hypothetically implemented on 30 June 2023):

Beyond – indicative pro-forma NTA per member post FCCU merger⁽¹⁾		30 Jun 23⁽²⁾
		\$m
Beyond NTA (per paragraph 96)		670.0
FCCU NTA		9.4
Pro-forma NTA before adjustments		679.4
Add back member paid up capital – Beyond and FCCU ⁽³⁾		0.7
Deduct paid up capital on D Class Shares – Beyond ⁽⁴⁾		(0.3)
Pro-forma NTA (after adjusting for paid up capital)	(A)	679.8
Member shares on issue – Beyond (#)		290,503
Member shares on issue – FCCU (#)		4,000
Pro-forma Beyond Member Shares on issue (#)	(B)	294,503
Pro-forma NTA per Beyond Member share (\$)	(A / B)	2,308

Note:

- 1 Rounding differences may exist.
- 2 Assumes that the merger was hypothetically implemented on 30 June 2023.
- 3 Paid up capital on Beyond Member Shares and FCCU member shares (\$40,000) is reported as a liability (not as a component of “owners’ equity”) and therefore needs to be adjusted for in calculating NTA per member.
- 4 Paid up capital on D Class Shares is reported as a component of “owners’ equity” (not as a liability) and therefore needs to be deducted from Beyond’s NTA in order to determine NTA per member.

Source: Beyond and LEA analysis.

116 Given the very small size of FCCU relative to Beyond, the FCCU merger will have only a marginal impact on Beyond’s NTA and its NTA when measured on a per Beyond Member Share basis.

Membership and shares on issue

117 All customers of Beyond must be members and hold a Beyond Member Share.

118 Beyond Member Shares have (since 2016) had a \$nil subscription price. However, shares issued prior to 2016, or issued to former members of entities with which Beyond has merged, may have a subscription price of greater than \$nil (generally between \$2 and \$10 per Beyond Member Share). As at 30 June 2023, there were 290,503 Beyond Member Shares on issue with an aggregate paid up capital of \$705,102, which is reported as a component of “deposits from members” (refer paragraph 105). The number of Beyond Member Shares on issue is expected to increase by an additional 4,000 shares (and paid up capital by \$40,000) if the merger with FCCU proceeds.

119 As at 30 June 2023, Beyond also had 315,200 D Class redeemable preference shares (Beyond D Class Shares) on issue. These shares can only be issued to member shareholders and have a subscription price of \$1 (the aggregate paid up capital in respect of these shares at 30 June 2023 was \$315,200 and is reported as a component of “owners’ equity”, i.e. not as a liability). Beyond’s D Class Shares arose as a result of the merger with United Credit Union in 2009 and Beyond has not since issued any new shares in this class.

120 The rights and entitlements attaching to Beyond Member Shares and Beyond D Class Shares is summarised below:

Beyond – summary of share rights and entitlements

	Beyond Member Shares	Beyond D Class Shares
Subscription price	\$nil ⁽¹⁾	\$1.00 per share
Voting rights	One vote per share at member meetings	No voting rights
Dividends	Right to participate in dividends equally with other member shareholders, subject to approval at general meeting	Right to receive a cumulative dividend payable in preference to any dividend on Beyond Member Shares. Subject to there being sufficient profits and the satisfaction of regulatory obligations, the dividend is paid annually on 30 September (in accordance with a prescribed formula), or on the date of redemption (whichever is earlier)
Participation on wind-up	Each member is entitled to participate in any surplus assets equally and without regard to the number of Beyond Member Shares or D Class Shares held (i.e. irrespective of the number of shares held)	Not applicable ⁽³⁾
Transfer	Non-transferable	Non-transferable
Redemption	Redeemable by member or by Beyond if member has been inactive for a period of 12 months ⁽³⁾ . Shares are redeemed for an amount equal to the subscription price paid (if any)	Redeemable at the request of the holder but in a manner as determined by the Beyond Board (noting that Beyond's practice to date has been to redeem upon request)

Note:

- 1 Per paragraph 118, certain Beyond Member Shares have been issued at a subscription price that exceeds \$nil. Beyond members will vote on a resolution at the 2023 annual general meeting to amend Beyond's Constitution to allow for the issue of Beyond Member Shares as consideration in relation to the acquisition of a business (at a subscription price specified by the transaction document for the acquisition).
- 2 D Class shareholders must hold a member share and members participate in any surplus assets equally.
- 3 Beyond may also redeem Beyond Member Shares if the Board determines that the member has failed to fulfil their obligations, engaged in misconduct, or obtained membership through misrepresentation or mistake.

Source: Beyond.

V Evaluation of the Scheme

Assessment of “fairness”

- 121 When an IER is prepared for a scheme that involves a change of control (essentially, where one party acquires more than a 20% equity interest in another party), ASIC expects the expert to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).
- 122 Pursuant to RG 111, a scheme is “fair” if the value of the consideration offered is equal to, or greater than the value of the securities that are the subject of the scheme.
- 123 While the Scheme will give rise to a change in control of AWA (because it will cease to be owned by members and instead become a wholly owned subsidiary of Beyond), we note that AWA members are effectively swapping an interest in one mutual (AWA) for an interest in another mutual (Beyond), rather than giving up the benefits of their existing membership and exchanging their interest for cash⁵¹ and/or marketable scrip in an acquiring entity⁵². Furthermore, for the reasons outlined at paragraph 49, in our opinion, it is not possible to assess the market value of a membership interest in either AWA or Beyond. As a consequence, in our view, it is not relevant, meaningful or possible to form a view on whether the Scheme is “fair” (as defined in RG 111).
- 124 Accordingly, we have only considered whether the Scheme is “reasonable” and “in the best interests” of AWA members.

Assessment of “reasonableness” and “in the best interests”

- 125 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal. Pursuant to RG 111, a scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 126 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of the members of the company.
- 127 We also note that it is generally accepted that in the context of a public company transaction, a proposal will be “in the best interests” of the members of a company if the advantages of the proposal outweigh its disadvantages. In effect, this is the same test as that used in forming a view on the “reasonableness” of a proposal and requires the consideration of the same factors.
- 128 Accordingly, for the purposes of this report we have assessed the overall impact of the Scheme on the members of AWA and formed a judgement as to whether the expected benefits

⁵¹ With the exception of those AWA members that already hold a membership in Beyond, who will receive cash consideration equivalent to the subscription price they originally paid for their AWA Member Share (e.g. \$10).

⁵² In these situations, the acquiring entity will typically have a single objective of maximising returns to its shareholders and will have no mandate to provide ongoing benefits to members as customers (or to return value to members as customers).

outweigh any disadvantages and risks that might result. To the extent possible, we have compared quantifiable benefits with quantifiable disadvantages. However, many of the potential benefits and disadvantages are by their very nature difficult, or even impossible, to quantify or verify. In this context, the overall conclusion as to whether the advantages of the Scheme outweigh the disadvantages is to a large extent subjective.

- 129 In forming our opinion as to whether the advantages of the Scheme outweigh the disadvantages, LEA has considered the following:
- (a) the implications of the termination of the AB Model (in February 2025) for AWA's business and the process undertaken by the AWA Board in response to the announced termination of the model
 - (b) the effects of the Scheme on AWA members as banking customers (e.g. breadth and depth of products and services offered, access to branches etc.)
 - (c) the effects of the Scheme on AWA members as shareholders (e.g. impact on rights and entitlements etc.)
 - (d) the impact of the Scheme on the community benefits currently provided by AWA
 - (e) the effect of the Scheme on AWA's employees and any other key stakeholders
 - (f) the impact of the Scheme on AWA's ability to pursue alternative transactions (and whether those transactions might be considered superior)
 - (g) other qualitative and strategic issues (including costs and risks) associated with the Scheme.

130 These issues are discussed in greater detail below.

Implications of the termination of the AB Model and the AWA Board's response

- 131 As part of its restructure in 2015, AWA surrendered its ADI licence which means it is no longer able to independently carry out banking operations such as receive deposits and/or provide loans⁵³. Instead, AWA relies upon its AB Model partnership with BEN for the continued delivery of banking products and services to its members.
- 132 However, the initial term of the AB Model ends in February 2025 and BEN has advised AWA (and the other AB Partners⁵⁴) that it will not renew the model beyond that date. As a result, if AWA wishes to continue to provide banking products and services to its members, it will need to implement a different operating framework, either by partnering with another ADI licensed institution or by collaborating with BEN in a different way (noting that BEN proposed that AWA transition to BEN's franchise arrangement, the CB Model).
- 133 The AWA Board has conducted a process to identify and evaluate its options. Although the possibility of reapplying for an ADI licence (to enable AWA to independently carry out

⁵³ However, it should be noted that under the NCCP Act, AWA is not required to hold a credit licence in order to lend to not-for-profit organisations so long as total loaned monies do not exceed 50% of its total assets.

⁵⁴ Includes BDCU, Circle, Service One, and Nova.

banking operations) was considered, it was quickly dismissed as the likelihood of success was considered low⁵⁵. Instead, the Board focused on identifying ADIs that could potentially:

- (a) assume BEN's role within the AB Model (or similarly structured model)⁵⁶, or
- (b) serve as a potential merger partner.

134 Whilst AWA had a mix of formal and informal discussions with several mutual ADIs (in respect of both roles), for various reasons those discussions did not lead to any formal proposal other than the Scheme. Additionally, the AWA Board considered the possibility of a voluntary wind-up and its impact on members.

135 After assessing the Scheme, the CB Model and voluntary wind-up options, the AWA Board determined that the Scheme provides the greatest advantage to its members in the context of AWA's MVP and constitutional objectives. Accordingly, the AWA Board has resolved to unanimously recommend the Scheme to its members subject to LEA concluding (and continuing to conclude) that the Scheme is in the best interests of AWA Members.

Effects of the Scheme on AWA members as banking customers

136 If the Scheme is approved and implemented, AWA members will transition to and become banking customers of Beyond. The following sections outline the key effects of the Scheme on AWA members as banking customers (not shareholders).

Access to an expanded and competitively priced financial service offering

137 Beyond offers an equivalent suite of banking products and services to those presently available to AWA members, noting that it has been recognised for its competitive financial service offering, and has received a number of industry awards over the past three years, including:

- (a) **Forbes World's Best Banks (2021, 2022 and 2023)** – based upon a survey of over 48,000 customers around the world, who rated each bank on general satisfaction and key metrics such as trust, fees, digital services and financial advice. Beyond was awarded best bank in Australia in the 2022 survey and was included in the top five Australian banks in 2021 and 2023
- (b) **Roy Morgan's Bank of the Year (2020 and 2022)** – an award determined by extensive tracking of customer behaviour and measuring key criteria based upon engagement, loyalty and advocacy.

138 In addition to its core suite of banking products, AWA members will also be able to access Beyond's financial planning services⁵⁷ and insurance products⁵⁸, neither of which are currently available under the AB Model.

⁵⁵ Due to for example, the fact that AWA has insufficient capital to meet the current capital adequacy requirements and it has no ability to raise the additional capital necessary to meet the requirements.

⁵⁶ This aspect of the process was conducted in conjunction with the other AB Partners.

⁵⁷ Which are provided in partnership with Bridges Financial Services.

⁵⁸ Which are underwritten by Allianz Australia.

- 139 Beyond has committed to honouring all pricing and fee waiver arrangements on existing AWA member (deposit and loan) accounts that transition across, while new products will be subject to Beyond's pricing framework. Beyond's "Life Membership" program, which includes additional fee waivers and interest rate benefits, will also be automatically offered to those AWA members that have held an active account with AWA for more than 20 years (which currently represent approximately 43% of AWA's total member base)⁵⁹.

Superior digital banking platform

- 140 The features and services of Beyond's internet banking platform and mobile application are superior to those that are currently accessible by AWA members (which comprise basic account access, online payment processing and card management). Additional features and services include:
- (a) internet banking – ability to manage payment limits, execute international transfers, and apply for credit cards and loan products
 - (b) mobile application – ability to manage payment limits, account statement preferences, execute international transfers, open new accounts and apply for credit cards and loan products.
- 141 Beyond's digital offering is also complemented by a range of online support services such as live customer service chat and online identification verification, which will allow AWA members to accept contracts related to loan applications and account establishment online.
- 142 Beyond has won the Canstar Research "best digital banking" award in the "customer owned bank" category each year for the nine years ended 2023. The award is based upon online and mobile banking capabilities, with a focus on five key areas, being research and application, payments and transactions, banking assistant, support and security. Beyond considers investment in technology and innovation to be a key element of its strategic objectives, and has committed to the continuous improvement of its digital banking capabilities.

Ongoing access to existing branches plus wider network

- 143 AWA members will have ongoing access to branches located in Geelong, Portland and Mandurah:
- (a) AWA's Geelong branch will be retained
 - (b) Beyond has committed to opening an additional branch in the town centre of Portland. AWA's branch that currently operates out of the aluminium smelter located at Point Danger will remain in operation for as long as the smelter remains operational (and where access to the premises continues to be granted)
 - (c) AWA's Mandurah branch will be consolidated with Beyond's existing Mandurah branch (noting that the Beyond branch in Mandurah is located less than one kilometre away from AWA's branch).

⁵⁹ An AWA member will be deemed to have become a member of Beyond on the date they first became a member of AWA (provided that AWA membership has been continuously held between that date and the Scheme implementation date). If a Duplicate Member's tenure with Beyond is longer (and has been continuously held), then that longer tenure will stand.

- 144 Although all three branch locations will be Beyond branded (i.e. have a different appearance), Beyond has committed to retaining all AWA’s customer facing staff, thus ensuring that there is minimum disruption to the in-person customer experience presently enjoyed by AWA members across the three branches.
- 145 In addition, AWA members will gain access to Beyond’s wider regional and metropolitan located branch network (48 branches located across NSW (17), SA (14), WA (7), ACT (6) and VIC (4)) and Beyond’s customer service call centre, which operates outside standard branch operating hours. AWA members do not currently have access to a customer service call centre outside of branch operating hours.

Depositor protections

- 146 The Financial Claims Scheme (FCS) is an Australian Government scheme that was established during the 2008 global financial crisis to provide protection to deposit-holders with Australian incorporated banks, building societies and credit unions, in the unlikely event that one of these financial institutions fail⁶⁰.
- 147 Under the FCS the Australian Government guarantees deposits of up to \$250,000 per account holder per ADI. Deposits with AWA⁶¹ and Beyond are covered by the guarantee, so the Scheme will not affect those members of AWA who have deposit balances of less than \$250,000. It should be noted that some 98% of AWA’s members have deposit balances that are below the cap.
- 148 However, some of these members may also have deposit accounts with BEN which when combined with their AWA deposit balance (which is also technically with BEN) may cause their deposit balances with BEN (in aggregate) to exceed the cap. These members are likely to benefit from the Scheme because they will spread their deposits across two institutions⁶², each of which will be guaranteed up to \$250,000⁶³.
- 149 In addition, we set out below a comparison of certain metrics for BEN and Beyond that may be relevant for AWA depositors (noting that the FCCU and AWA transactions are not expected to have any material impact on Beyond’s metrics):

BEN v Beyond – select APRA prudential metrics⁽¹⁾ and credit ratings						
	Capital ratio⁽²⁾		Liquidity	Short-term	Credit rating	
	Tier 1	Total	ratio⁽²⁾⁽³⁾		Long-term	Outlook
	%	%	%	S&P⁽⁴⁾	S&P⁽⁴⁾	S&P⁽⁴⁾
BEN	13.43	15.63	130.7	A-2	BBB+	Positive
Beyond	16.84	16.91	14.5	A-2	BBB	Positive

⁶⁰ General insurance policyholders and claimants are also covered by the FCS.

⁶¹ Noting that AWA members are technically depositors with BEN, not AWA.

⁶² This is because when the Scheme takes effect, their AWA deposit balance will no longer be held by BEN but instead by Beyond.

⁶³ The Scheme is likely to have the opposite effect for AWA’s Duplicate Members (i.e. AWA members that are already members of Beyond) that currently have AWA deposits (with BEN) and other deposits with Beyond. Post implementation of the Scheme, these members will have their deposits concentrated with one institution, rather than them being spread across two institutions.

Note:

- 1 APRA supervises / regulates Australian financial services institutions across banking, insurance and superannuation. It establishes certain prudential metrics (which are designed to promote financial system stability) which institutions must comply with.
- 2 As at 30 June 2023.
- 3 The liquidity ratios for BEN and Beyond are calculated on different bases (per APRA requirements) and are therefore not comparable.
- 4 Standard & Poor's (S&P). Although BEN is also covered by the other two large ratings agencies (Fitch and Moody's), Beyond is not. We have therefore limited our comparison in this table to the (latest available) ratings provided by S&P.

Source: BEN: *Basel III Pillar 3 Disclosures: Prudential Standard APS 330* ASX announcement released 14 August 2023; Beyond.

150 In respect of the above, we note the following:

- (a) **Capital ratio** – is designed to provide a level of protection for depositors by ensuring that ADIs have sufficient capital in reserve to handle a certain amount of losses before being at risk of becoming insolvent. Both BEN and Beyond have capital ratios in excess of those required by APRA
- (b) **Liquidity ratio** – is intended to ensure that an ADI maintains an adequate level of high-quality liquid assets that can be converted into cash to meet short-term liquidity needs (e.g. deposit withdrawals). The liquidity calculations for BEN and Beyond are not comparable (as they are calculated on different bases per APRA requirements) but both are above the levels required by APRA (being 100% and 9% respectively)
- (c) **Credit rating** – is an assessment of a borrower's creditworthiness in general terms. The S&P ratings assigned to BEN are only very marginally more positive than those assigned to Beyond.

Effects of the Scheme on AWA members as shareholders

151 If the Scheme is approved and implemented, AWA members will effectively swap their interest in AWA for an interest in Beyond (i.e. AWA members will cease to be members of AWA and instead become members of Beyond)⁶⁴.

152 The following sections outline the key effects of the Scheme on AWA members as shareholders (not banking customers).

Ongoing membership in a mutual with strong cultural alignment with AWA

153 As Beyond members, AWA members will remain members of a member-owned and member focused organisation committed to mutuality. AWA members will retain their Beyond membership as long as they hold one of Beyond's banking (or other eligible) products.

154 AWA and Beyond have similar philosophies and values based on their mutual heritage. Both organisations are committed to providing services to members and the communities in which their members reside (rather than being profit focused).

155 The strong cultural alignment between the two organisations is evidenced in the key documentation that forms the basis of each organisation's overall strategy and governance,

⁶⁴ As Duplicate Members are already members of Beyond they will not receive a Beyond Member Share, rather they will be repaid the subscription price they originally paid for their AWA Member Share (e.g. \$10).

including (inter alia), the Constitution (specifically, the objectives set out therein) and the mission and vision statements of each organisation.

156 The following table provides a comparison of AWA’s and Beyond’s Constitutional objectives:

Constitutional objectives	
AWA	Beyond
<ul style="list-style-type: none"> to encourage savings amongst members and customers 	<ul style="list-style-type: none"> to encourage savings amongst members
<ul style="list-style-type: none"> to promote co-operative enterprise 	<ul style="list-style-type: none"> to promote co-operative enterprise
<ul style="list-style-type: none"> to provide programs and services to members and customers to assist them to meet their financial, economic and social needs 	<ul style="list-style-type: none"> to provide programs and services to members and customers to assist them to meet their financial, economic and social needs
<ul style="list-style-type: none"> to further the interests of members and the communities within which they work and live through co-operation with: <ul style="list-style-type: none"> other Mutuals and co-operatives, and associations of Mutuals and co-operatives, locally and internationally 	<ul style="list-style-type: none"> to further the interests of members and the communities within which they work and live through co-operation with: <ul style="list-style-type: none"> other mutual banking institutions and co-operatives, and associations of mutual banking institutions and co-operatives, locally and internationally
<ul style="list-style-type: none"> to invest surplus capital for services and projects designed to improve the long-term sustainability and social wellbeing of the communities the Mutual serves 	<ul style="list-style-type: none"> to apply funds in providing “<i>financial accommodation</i>” subject to the Corporations Act and the <i>Banking Act 1959</i> (Cth) (Banking Act)
<ul style="list-style-type: none"> no specific stated objectives for raising and application of funds, growth etc. 	<ul style="list-style-type: none"> to raise funds by subscription, deposit or otherwise, as authorised by the Corporations Act and the Banking Act, and to apply the funds in providing financial accommodation subject to the Corporations Act and the Banking Act

157 As shown above, the Constitutional objectives are very closely aligned and the only material difference between the two is that Beyond’s objectives do not expressly address its desire to provide community benefits. That said, this objective does form part of Beyond’s vision and mission statement (refer below).

158 A comparison of the organisational mission and vision statements of both AWA and Beyond follows:

Mission and vision statements		
	AWA	Beyond
Vision statement	<ul style="list-style-type: none"> We significantly contribute to an improved and sustainable future for our members and local communities 	<ul style="list-style-type: none"> To be the leading customer-owned financial services group, renowned for enriching the lives of our customers and their community
Mission statement	<ul style="list-style-type: none"> Empower members and communities to improve their financial wellbeing 	<ul style="list-style-type: none"> To create and return value for our members and their communities, and through this we change lives

159 In addition to the above, we note that AWA and Beyond are both B Corp certified, a certification which is awarded to organisations that are committed to making a positive impact on their customers, community, employees, and environment (noting that Beyond has been

attributed the highest B Corp rating for any financial services provider in Australia and the sixth highest globally).

Member rights and entitlements

160 AWA members will cease being members of AWA upon approval and implementation of the Scheme and will become members of Beyond. Accordingly, the AWA Constitution will cease applying to AWA members and the Beyond Constitution will apply instead. That said, member rights and obligations under the Beyond Constitution will be materially similar to the rights and obligations under the AWA Constitution. A summary comparison of the rights and entitlements attaching to AWA Member Shares and Beyond Member Shares is set out at Annexure A of the Scheme Booklet.

Change in risk profile

161 If the Scheme is approved and implemented, AWA members will cease to hold a share in AWA and will instead hold a share in Beyond. The risks inherent in the respective business operations of AWA (as operated under the AB Model) and Beyond differ. Whilst this change in risk profile (for AWA members as shareholders) may be seen as a disadvantage by some AWA members, we note that AWA members only have the subscription price they paid for their share at risk (e.g. \$10). Therefore, in our view, this issue should not be a significant consideration for AWA members when determining whether to vote for or against the Scheme.

Value per share pre and post-Scheme

Subscription price

162 At present, if an AWA member ceases to be a member of AWA, the member is entitled to be repaid the subscription price they paid for their share when they became a member (e.g. \$10). The Scheme will have no impact on AWA members in this regard.

163 That is, if the Scheme is successfully implemented, AWA members (excluding those members identified as Duplicate Members) will receive a new Beyond Member Share and will preserve (or rollover) their right to have that subscription fee returned to them if they cease to be a Beyond member⁶⁵.

“Underlying value”

164 As noted in Section II, any “underlying value” within AWA (in excess of the subscription price paid by members) is not able to be accessed by members unless AWA is wound up (voluntarily or involuntarily) or the AWA Board takes action to change the status of AWA (e.g. by way of demutualisation) and the necessary majority of members approve this change. Similar issues apply to Beyond.

165 In this sense, the “underlying value” of a member’s interest in either entity is contingent and theoretical only (i.e. does not have a market value and cannot be assessed in a conventional sense). Moreover, in our opinion, “underlying value” should not be a key consideration for members, because it is not the reason they joined AWA in the first place. They became a member because they had to acquire a share (for a relatively nominal sum, e.g. \$10) in order

⁶⁵ Secondary Members will not receive any payment because they did not pay any subscription price for their membership of AWA.

to access AWA’s range of mutual orientated banking products and services (not because they sought to profit from movements in the value of that share).

- 166 Notwithstanding the above, in order to provide some context as to the impact of the Scheme on “underlying value” we have prepared a comparison of NTA per AWA member on a pre and post-Scheme basis (noting that banks and credit unions are typically valued by reference to NTA⁶⁶).
- 167 The analysis should not be interpreted as an assessment of the market value of a member’s share in AWA or Beyond, nor do we provide any (express or implied) warranty or guarantee that the calculated amounts may be realisable by a member (noting in particular, that members are only entitled to be repaid the subscription price they paid for their share when they cease to be a member). The analysis is no more than a comparison between the relative NTA positions and is for contextual purposes only.
- 168 The following table sets out a calculation of the indicative pro-forma NTA per Beyond Member share on a post-Scheme basis (assuming the FCCU transaction and the Scheme were hypothetically implemented on 30 June 2023):

Beyond – indicative pro-forma NTA per member post-Scheme⁽¹⁾			
		As at 30 Jun 23⁽²⁾	
	Paragraph	Low \$m	High \$m
Beyond NTA (including FCCU)	115	679.4	679.4
AWA NTA	81	14.4	14.4
Pro-forma NTA before adjustments⁽³⁾		693.8	693.8
Cash transaction costs ⁽⁴⁾		(0.6)	(0.5)
Implementation costs ⁽⁵⁾		(1.5)	(1.3)
Pro-forma NTA		691.7	692.0
Add back member paid up capital – Beyond, FCCU and AWA ⁽⁶⁾⁽⁷⁾	85, 118	0.8	0.8
Deduct paid up capital on D Class Shares – Beyond ⁽⁸⁾	119	(0.3)	(0.3)
Pro-forma NTA (after adjusting for paid up capital) (A)		692.1	692.5
Member shares on issue – Beyond (#)	118	290,503	290,503
Member shares issued to FCCU members (#)	118	4,000	4,000
Member shares issued to AWA Primary Members (#) ⁽⁷⁾	85	4,073	4,073
Member shares issued to AWA Secondary Members (#) ⁽⁷⁾	85	1,841	1,841
Pro-forma Beyond Member Shares on issue (#)⁽⁷⁾ (B)		300,417	300,417
Pro-forma NTA per Beyond Member share (\$) (A / B)		2,304	2,305

⁶⁶ Because the majority of the assets on their balance sheet are already marked to market (i.e. carried at fair value). Profit after tax multiples are also a commonly used reference point in the valuation of banks and credit unions.

Note:

- 1 Rounding differences may exist.
- 2 Assumes the FCCU transaction and the Scheme were hypothetically implemented on 30 June 2023.
- 3 AWA member loans and deposits that will be migrated from BEN to Beyond should have a net neutral impact on NTA (as the value of the net assets acquired, before transaction costs which are reflected below, will be offset by the consideration paid). Refer to Section 8.8 of the Scheme Booklet for further details regarding the transfer of AWA member loans and deposits from BEN to Beyond.
- 4 Estimated transaction costs of both entities (net of tax savings) that had not already been incurred as at 30 June 2023. These costs include adviser, legal, accounting, expert, communication and other consultant fees and printing, postage and meeting costs.
- 5 Estimated implementation costs not already been recognised on balance sheet (which have been tax affected) include branch refurbishment, rebranding, system conversion and potential redundancy costs.
- 6 Paid up capital on Beyond Member Shares, FCCU member shares (\$40,000) and AWA Member Shares (\$40,730) is reported as a liability (not as a component of “owners’ equity”) and therefore needs to be adjusted for in calculating NTA per Beyond Member share.
- 7 No adjustment made for Duplicate Members as the impact of doing so is immaterial.
- 8 Paid up capital on D Class Shares is reported as a component of “owners’ equity” (not as a liability) and therefore needs to be deducted from Beyond’s NTA in order to determine NTA per Beyond Member Share.

Source: AWA, Beyond and LEA analysis.

169 By way of comparison, NTA per AWA Member Share as at 30 June 2023 is some \$3,549 (refer paragraph 81). Therefore, if the Scheme proceeds, NTA per AWA member will:

(a) Primary Members –

- (i) that are not Duplicate Members – likely decline by approximately \$1,250⁶⁷. This is primarily because AWA is significantly smaller than Beyond. Accordingly, the indicative pro-forma NTA per Beyond Member Share more closely resembles Beyond’s pre-Scheme position than it does AWA’s (noting that Beyond’s pre-Scheme NTA per Beyond Member Share, including FCCU, is much less than AWA’s, i.e. \$2,308 versus \$3,549 as at 30 June 2023)⁶⁸
- (ii) that are Duplicate Members – decrease from some \$5,857 (being one share in AWA with an NTA per AWA Member Share of \$3,549 and one share in Beyond, including FCCU, with a pro-forma NTA per Beyond Member Share of \$2,308) to approximately \$2,300 (being the NTA of one share in Beyond post-Scheme) plus the repayment of the subscription price originally paid for their AWA share (e.g. \$10)

(b) Secondary Members –

- (i) that are not Duplicate Members – increase from \$nil to some \$2,300
- (ii) that are Duplicate Members – will see no material change in their NTA per share as they did not have any interest in the “underlying value” of AWA to begin with (and they will continue to hold one share in Beyond post-Scheme).

170 That said, this analysis reflects a comparison between the Scheme and an option (i.e. the AB Model) that is no longer available to AWA (and is therefore largely irrelevant). The more

⁶⁷ Being the difference between NTA per AWA Member Share and the pro-forma NTA per Beyond Member Share.

⁶⁸ Transaction costs and the grant of an interest in NTA to AWA’s Secondary Members further dilute NTA on a per member basis.

relevant comparisons for those AWA members that have an interest in “underlying value” are the comparisons between the Scheme and the possible alternative transaction structures (that can no longer be pursued if the Scheme proceeds). This analysis is set out below from paragraph 179).

Impact of the Scheme on the community benefits currently provided by AWA

171 AWA presently contributes to its members’ communities through a number of initiatives (philanthropic partnerships, social lending and revenue share arrangements⁶⁹). Under the MIA, Beyond has agreed to the following commitments in respect of each initiative:

- (a) **philanthropic partnerships** – Beyond has guaranteed that the financial support currently provided to AWA’s existing partners will be maintained, at a minimum, for three years following the implementation of the Scheme (noting that AWA distributed some \$200,000 in financial support to its partners in FY23)⁷⁰. In addition, Beyond will (upon the successful implementation of the Scheme) provide a further one-off contribution of \$200,000 to AWA’s philanthropic partnership program (via its Beyond Bank Australia Foundation)
- (b) **social impact lending** – all current concessional and commercial loans to AWA’s community partner organisations (e.g. local sporting clubs such as basketball, football, cricket etc.) will be transferred to Beyond on the same terms and interest rates as those that currently prevail (noting that AWA’s strategic partners saved approximately \$50,000 in interest during FY23). Beyond has (more generally) also indicated that it will seek to incorporate social impact lending into its broader community benefits program
- (c) **revenue share arrangements** – Beyond will honour the terms of all existing revenue share arrangements with AWA’s community partner organisations. Revenue share payments for newly established partnerships (or renewals of existing partnerships) post-Scheme will be based upon Beyond’s simplified framework.

172 Whilst Beyond will honour AWA’s current community initiatives in the short term, it remains uncertain as to whether Beyond will retain the initiatives over the medium to long term. The extent to which it does will be dependent upon (inter alia) Beyond’s future financial performance and strategic objectives. That said, Beyond has a demonstrated history of retaining some of the community initiatives of its merger partners. For example, Beyond’s Community Reward Account offering was originally a product provided by Wagga Mutual Credit Union, and was integrated into Beyond’s community benefits program following the merger in 2011.

173 In addition to the continuation of existing community initiatives, AWA members’ communities may also benefit from new community initiatives provided by Beyond. For instance, through the Beyond Bank Australia Foundation, which was founded in 2007, Beyond has contributed more than \$27 million to community organisations, and has supported its customers and communities that have suffered loss as a result of natural disasters.

⁶⁹ Refer to paragraph 78.

⁷⁰ Following the three year period, contributions will be reviewed based on the business performance of the partner as well as Beyond’s respective regional operations.

Effect of the Scheme on AWA's employees and other key stakeholders

AWA's employees

- 174 Beyond will offer all existing AWA staff (i.e. customer facing and non-customer facing staff including senior management) a role in the merged entity, the terms of which will be, at a minimum, equivalent to the terms and conditions of employment at AWA (that exist at the time the Scheme is implemented). Beyond will also recognise staff entitlements and length of service for all AWA employees that accept roles at Beyond following the implementation of the Scheme.
- 175 Beyond is experienced in integrating new organisations into its business, both operationally and culturally (as demonstrated by its strong track record of successful mergers over the past 15 years). We also note that Beyond and AWA have agreed the following to ensure staff transition as smoothly as practically possible:
- (a) a detailed staff transition, training, development and support plan will be prepared by both parties and implemented for all incoming AWA employees to assist in their integration within Beyond
 - (b) a transition implementation committee⁷¹ will also be established to monitor the staff transition process and ensure that all commitments made by Beyond are implemented following the completion of the Scheme.
- 176 AWA employees that accept roles with Beyond will join a significantly larger organisation (with more branches and) with more diverse operations across banking, wealth management, and community development. Consequently, employees will be exposed to additional career development opportunities and pathways that are otherwise not available at AWA.

AWA's other key stakeholders

- 177 Under the AB Model, BEN provides all core banking systems and back office services to AWA including telephone and IT. Consequently, AWA is not responsible for any direct contracts with external service providers, and will not be required to terminate any commercial agreements as a direct result of the Scheme.
- 178 In respect of AWA's current lease agreements, it is expected that leases over the Geelong and Portland premises will transfer to Beyond on existing terms and conditions if the Scheme proceeds. In the event that AWA's Mandurah branch is closed upon consolidation with the local Beyond branch, it is expected that AWA's lease agreement in Mandurah will be terminated (and AWA will be required then as a wholly owned subsidiary of Beyond to fulfil all of its make good obligations).

Loss of opportunity to pursue an alternative transaction

- 179 If the Scheme is implemented, AWA members will forego the opportunity to benefit from a possible future alternative transaction.

⁷¹ The committee will comprise Beyond and AWA executive staff and will operate for 12 months post the implementation of the Scheme.

180 As noted at paragraphs 131 to 135, the AWA Board conducted a process to identify and evaluate its options. The alternative options (to the Scheme) that were considered by the Board in detail were:

- (a) **CB Model** – the transition of AWA’s existing operations to BEN’s franchise arrangement known as the CB Model
- (b) **voluntary wind-up** – the voluntary wind-up of AWA (on an orderly realisation basis) and distribution of any remaining surplus capital to members.

181 These alternatives are discussed in greater detail below as well as the likelihood of another alternative superior proposal emerging prior to the meeting to approve the Scheme.

CB Model

182 The CB Model is a franchise business model much like any other, whereby one business (the franchisor), permits another (the franchisee) to use its brand and sell its products and/or services for a specified period of time, in exchange for the payment of a fee (i.e. franchise fee). While a franchisee operates their business independently from the franchisor, they must do so in a manner which adheres with the terms and conditions and the operating procedures and standards that have been established by the franchisor and detailed in the franchise agreement.

183 Under the CB Model, AWA (as franchisee) would enter into a franchise agreement with BEN (as franchisor) that would enable it to continue to sell BEN’s banking products and services. AWA would need to rebrand (from “AWA Alliance Bank” to “Bendigo Community Bank – AWA *location*”) and deliver the products and services using BEN’s rates and pricing and in adherence with BEN’s lending practices and operational policies⁷².

184 The CB Model would not affect the ownership of AWA or the rights and entitlements of AWA members as shareholders (as opposed to banking customers)⁷³. It would (unlike the Scheme) only affect the manner in which AWA carries out its operations. Accordingly, the CB Model could be implemented without the need to seek the approval of AWA members.

185 Although the CB Model appears similar to the AB Model⁷⁴, it would operate quite differently from a legal and operational perspective. In particular, the CB Model would provide for a lower level of autonomy than that currently enjoyed by AWA under the AB Model.

186 As noted at paragraphs 131 to 135, as part of its process the AWA Board conducted a detailed analysis and review of the CB Model (based upon indicative commercial terms and conditions⁷⁵) and formed a view that it was an inferior proposal to the Scheme. LEA has also undertaken a similar exercise to that performed by the AWA Board (based upon the same indicative commercial terms and conditions) and has reached the same conclusion. In particular, we note the following:

⁷² This compares to the current AB Model whereby AWA distributes BEN’s banking products and services under the AWA Alliance Bank brand and does so in accordance with its own policies and procedures.

⁷³ i.e. they would remain the same as those that persist today.

⁷⁴ In that under each, AWA is a standalone mutual entity that delivers BEN banking and products and services.

⁷⁵ Noting that BEN has not provided a formal proposal to AWA.

- (a) **Members as customers** – although members will have access to broadly similar banking products and services under each option, certain member benefits (e.g. fee waivers and interest rate discounts / rebates) would likely be forgone under the CB Model (whereas these will be honoured under the Scheme)
- (b) **Community benefits** – AWA will need to discontinue certain community initiatives under the CB Model (e.g. concessional loans and revenue share arrangements⁷⁶), whereas all initiatives will be honoured under the Scheme⁷⁷ plus Beyond will make an additional one-off donation of \$200,000 to AWA’s philanthropic partnership program (via its Beyond Bank Australia Foundation)
- (c) **AWA’s employees** – the transition to the CB Model would likely result in a number of staff roles becoming redundant (particularly senior staff / leadership roles). In contrast, all AWA staff will be offered a comparable role under the Scheme.

187 Whilst, in our opinion, “underlying value” should not be a key consideration for members⁷⁸, for completeness we set out below a comparison of the indicative NTA per member under both the CB Model (based upon indicative commercial terms and conditions) and the Scheme.

188 The analysis should not be interpreted as assessment of the market value of a member’s share in AWA (under the CB Model) or in Beyond, nor do we provide any (express or implied) warranty or guarantee that the calculated amounts may be realisable by a member (noting in particular that members are only entitled to be repaid the subscription price they paid for a share when and if they cease to be a member). The analysis is no more than a comparison between the relative NTA positions and is for contextual purposes only.

189 The following table sets out the calculation of the indicative pro-forma NTA per AWA Member Share under the CB Model (based upon indicative commercial terms and conditions):

AWA – indicative pro-forma NTA per member under CB Model⁽¹⁾			
	Paragraph	Low \$000	High \$000
AWA NTA as at 30 June 2023	81	14,413	14,413
Franchise establishment fees ⁽²⁾		(191)	(191)
Branch refurbishment and rebranding ⁽³⁾		(322)	(243)
Loss on concessional loans unable to be transitioned ⁽⁴⁾		(703)	(150)
Estimated payout of revenue share agreements ⁽⁵⁾		(15)	(60)
Other transition costs ⁽⁶⁾		(56)	(49)
Pro-forma NTA		13,127	13,720
Add back member paid up capital ⁽⁷⁾	85	41	41
Pro-forma NTA (after adjusting for paid up capital)		13,168	13,761
AWA Member Shares on issue (#) ⁽⁸⁾	85	4,073	4,073
Pro-forma NTA per AWA Member Share (\$)⁽⁸⁾		3,233	3,379

⁷⁶ In FY23, AWA’s strategic partners saved approximately \$48,978 in interest (on concessional loans) and received \$138,354 in shared revenue.

⁷⁷ Noting however, that philanthropic partnership donations are only guaranteed for a period of three years.

⁷⁸ As it is unable to be accessed by members and is therefore contingent and theoretical only. Moreover, in our opinion, “underlying value” should not be a key consideration for members, because it is not the reason they joined AWA in the first place. They became a member because they had to acquire a share (for a relatively nominal sum, e.g. \$10) in order to access AWA’s range of mutual orientated banking products and services (not because they sought to profit from movements in the value of that share).

Note:

- 1 Rounding differences may exist.
- 2 Includes estimated upfront franchise fees, process establishment fees, and estimated staff training costs, all of which have been tax affected.
- 3 Includes estimated branch fit out costs, service centre fees, and rebranding costs, all of which have been tax affected.
- 4 Certain concessional loans that are unable to be transitioned to the CB Model are unlikely to be fully recoverable. The estimated loss on these loans has been tax affected.
- 5 Reflects the estimated (tax affected) payout of the revenue share agreements that AWA will be unable to transition to the CB Model. The revenue share arrangements are fixed term obligations and reduce over time. The payout therefore depends upon the time at which the CB Model is assumed to be implemented. Our range assumes implementation dates of 30 June 2024 and 31 December 2024 respectively.
- 6 Other estimated transition costs (which have been tax affected) include an estimate of the cost of employee redundancies.
- 7 Paid up capital on AWA Member Shares is reported as a liability (not as a component of “owners’ equity”) and therefore needs to be adjusted for in calculating NTA per AWA Member Share.
- 8 AWA’s Secondary Members would not be entitled to share in the NTA.

Source: AWA and LEA analysis.

- 190 The indicative pro-forma NTA per AWA Member Share is greater than that calculated for the Scheme at paragraph 168 (the difference being some \$925 to \$1,075 per member)⁷⁹. However, in our view, the uplift is not sufficient to justify the cost of possibly forgoing the other advantages of the Scheme relative to the CB Model (some of which have been outlined above at paragraph 186⁸⁰), particularly when one considers the fact that members are actually unable to access the indicative pro-forma NTA (i.e. it is contingent / hypothetical only).

Voluntary wind-up

- 191 Another possible alternative transaction that the AWA Board considered would be to voluntarily wind-up AWA on an orderly realisation basis. This process would involve the appointment of a liquidator who would gradually sell AWA’s assets and use the cash to pay all outstanding debts. Any residual / surplus funds that remain at the end of the process would be distributed to AWA members in accordance with the rights attaching to their shares. AWA would be subsequently dissolved and AWA would cease to exist.
- 192 For a voluntary wind-up to proceed, the following would need to occur (in addition to a number of other procedural items):
- (a) a meeting of AWA members would need to be called. The meeting could be requisitioned by the AWA Board, or by AWA members that represent at least 5% of the

⁷⁹ For the reasons noted at paragraph 169(a), the indicative pro-forma NTA per member for the Scheme largely represents Beyond’s pre-Scheme position. Beyond’s pre-Scheme NTA per member is approximately \$1,200 less than AWA’s as at 30 June 2023. This differential explains the large majority of the difference between the pro-forma NTA figures for the Scheme and the CB Model.

⁸⁰ For example, Beyond has guaranteed that for the next three years it will continue AWA’s concessional loans and revenue share arrangements, which provided an annual community benefit of some \$190,000 in FY23. Beyond has also committed to a one-off donation of \$200,000. Over the three year guarantee period these amount to some \$770,000 in additional benefits for the community which are unlikely to arise under the CB Model (this amounts to an additional benefit of some \$190 per AWA member based upon 4,073 Primary Members).

number of AWA Member Shares on issue (some 204 members based on the number of members as at 30 June 2023⁸¹)

- (b) at that meeting, AWA's members would need to pass a special resolution in favour of the wind-up. This would require 75% or more of the votes cast, to be cast in favour of the wind-up.

193 We set out below an estimate of the cash payment that AWA members may realise upon a wind-up of AWA (noting that AWA's Secondary Members would not be entitled to share in any surplus). It is a relatively crude order of magnitude estimate only based on an assumed orderly realisation of net assets, and is dependent upon the other underlying assumptions adopted (noting that the time at which a wind-up may occur and the costs associated therewith are inherently uncertain). LEA does not provide any (express or implied) warranty or guarantee that the calculated amounts would actually be realised by AWA members in the event of wind-up. Actual amounts realised by AWA members in the event of a wind-up may be more or less than those estimated below.

194 In undertaking our calculations we have considered the following, among other things:

- (a) AWA's intangible assets are unlikely to realise any value (i.e. be convertible to cash)
- (b) certain tangible assets held by AWA are likely to be sold for significantly less than their balance sheet carrying values (e.g. plant and equipment typically has very little to no monetary value)
- (c) AWA will incur costs in realising its tangible assets (i.e. converting the assets to cash) and more generally managing the wind-up (e.g. liquidator costs)
- (d) the wind-up will crystallise liabilities that are not presently reflected (or fully reflected) on AWA's balance sheet (e.g. staff redundancies, lease termination costs etc.)
- (e) AWA's balance sheet does not reflect the value of its entitlement to receive its share of the margin income that will be generated on its loan book through to the end of the AB Model (i.e. through to February 2025). AWA would remain entitled to this payment even in the event of wind-up (and would not be obligated to incur any ongoing associated costs). The payment that AWA is entitled to receive diminishes over time as February 2025 approaches (and the amount that AWA would receive therefore depends upon the time at which it is assumed to be wound-up).

195 Our calculations are summarised in the following table:

⁸¹ Excludes Secondary Members.

AWA – indicative net proceeds per member under a wind-up⁽¹⁾

	Paragraph	Low \$000	High \$000
AWA NTA as at 30 June 2023	81	14,413	14,413
Add back items related to lease obligations ⁽²⁾		149	149
Deduct PP&E which is likely to have \$nil value ⁽³⁾		(134)	(134)
Deduct net deferred tax asset ⁽⁴⁾		(358)	(358)
Adjusted NTA as at 30 June 2023		14,070	14,070
Post tax profit through to wind-up ⁽⁵⁾		-	-
Net wind-up adjustments ⁽⁶⁾		(1,095)	1,684
Loss on concessional loans unable to be transitioned ⁽⁷⁾		(703)	(150)
Indicative net proceeds		12,272	15,604
Add back member paid up capital ⁽⁸⁾	85	41	41
Indicative net proceeds (after adjusting for paid up capital)		12,313	15,644
AWA Member Shares on issue (#) ⁽⁹⁾	85	4,073	4,073
Indicative net proceeds per AWA Member Share (\$) ⁽⁹⁾⁽¹⁰⁾		3,023	3,841

Note:

- 1 Rounding differences may exist.
- 2 The net of “ROU assets” and current and non-current “lease liabilities”. These items have been excluded from NTA and replaced with estimated lease termination costs (which are included below as part of the “wind-up adjustments”).
- 3 We have assumed that AWA would be unable to realise any value for its PP&E other than its motor vehicle assets (some \$10,000).
- 4 Primarily relate to employee provisions, lease liabilities and restructuring provisions, the cash tax benefit of which has been separately allowed for.
- 5 No allowance has been made for the estimated profit (if any) that AWA may generate between 30 June 2023 and the date at which the proposal is assumed to be implemented (noting that the amount of any such profit is likely to be relatively immaterial, particularly after allowing for the additional cash transaction costs incurred in respect of the Scheme).
- 6 Wind-up adjustments primarily comprise the tax affected sum of the estimated share of margin income through to February 2025 (assuming a wind-up is implemented on either 30 June 2024 or 31 December 2024), revenue share agreement payouts, estimated employee redundancy costs, lease termination costs (through to the end of the term of each lease), advisory, liquidator and consultant costs.
- 7 There are certain concessional loans that are unlikely to be fully recoverable upon wind-up. The estimated loss on these loans has been tax affected.
- 8 Paid up capital on AWA Member Shares is reported as a liability (not as a component of “owners’ equity”) and therefore needs to be adjusted for.
- 9 AWA’s Secondary Members would not be entitled to share in any surplus.
- 10 Before allowing for any personal tax liabilities.

Source: AWA and LEA analysis.

196 The indicative (pre-personal tax) net proceeds per member exceed the pro-forma NTA per Beyond Member Share figures calculated for the Scheme at paragraph 168 (the difference being some \$700 to \$1,500 per member)⁸². The wind-up scenario is also a cash outcome (albeit it is uncertain as to timing and quantum⁸³), whereas the pro-forma NTA per Beyond Member Share figures calculated for the Scheme are contingent / hypothetical only.

⁸² Personal tax liabilities (e.g. capital gains tax) may significantly erode the difference. The extent to which it does will depend upon the personal circumstances of individual AWA members.

⁸³ And does not allow for any personal tax liabilities that may arise.

- 197 Although AWA members may receive a cash payment under a wind-up scenario, it is important that members recognise that this payment will come at the expense of having to forgo many other benefits, including:
- (a) all the pricing and fee waiver arrangements as well as the service levels presently enjoyed by members as banking customers (and will continue to be enjoyed as a customer of Beyond) will be forgone unless members proactively search for a replacement institution that offers comparable prices and levels of service⁸⁴
 - (b) all the community benefits currently provided by AWA (and will be honoured by Beyond under the Scheme) will be forgone
 - (c) all AWA employees will be made redundant (whereas all employees are being offered a comparable role by Beyond under the Scheme). This may have consequential economic and social impacts upon communities in which the employees reside
 - (d) other stakeholders may also be adversely affected by the wind-up.
- 198 The extent to which the above erodes the benefit of the cash payment will differ by AWA member and ultimately depend upon the relative importance a member attaches to the various aspects of their relationship with AWA (as well as their expectations of the benefits of being a member of Beyond). This is a matter for individual members and consequently, LEA is unable to provide any comment in this regard.
- 199 Members should note that the AWA Board considers a wind-up to not only be an inferior proposal to the Scheme but also the CB Model because, inter alia, the above stated (negative) outcomes are inconsistent with AWA's constitutional objectives and MVP. Accordingly, the AWA Board is not presently contemplating a wind-up of AWA, rather it considers it an option of last resort only.
- 200 Further, although a voluntary wind-up could be initiated by members, it would require the meeting to be requisitioned by the necessary number of members (5% plus) and the wind-up resolution (at that meeting) to be passed by the requisite majority of members (75% or more of the votes cast, to be cast in favour of the wind-up). As the wind-up of AWA would result in members forgoing many (if not all) of the reasons they became members of AWA in the first place, there is a significant risk that a wind-up proposal would fail to garner the member support needed to successfully implement it. AWA members should contemplate these significant implementation risks when considering the merits of the wind-up relative to the Scheme.

Possibility of another alternative proposal arising (that is superior to the Scheme)

- 201 We have been advised by the AWA Board that no other superior alternative proposal for AWA has emerged since the Scheme was announced on 26 September 2023.
- 202 Whilst there has effectively been (and remains) an opportunity for other third parties (i.e. parties other than Beyond) to table a proposal for AWA, AWA members should note:

⁸⁴ If AWA were to be wound-up all AWA customers would automatically become direct customers of BEN and be subject to BEN's product pricing and terms.

- (a) the exclusivity obligations imposed on AWA pursuant to the MIA (e.g. “no shop”, “no talk”, “matching rights” etc.), which are summarised in Section I of this report and discussed in further detail in the Scheme Booklet
- (b) the Scheme represents the outcome of a process undertaken by the AWA Board to identify and evaluate its options. As part of that process, AWA had a mix of formal and informal discussions with a number of mutual ADIs, however, for various reasons those discussions did not lead to any formal proposal other than the Scheme.

203 Although it is possible that an alternative (superior) proposal may emerge prior to the meeting to approve the Scheme, in our opinion, the factors set out above diminish the likelihood of this outcome.

Other qualitative and strategic issues

Integration risks

204 The Scheme will require the integration of AWA’s operations with those of Beyond including the migration of AWA member loans and deposits to Beyond’s balance sheet, the rebranding of branches, and transition of AWA employees to Beyond staff.

205 Accordingly, the Scheme will give rise to a number of implementation risks that AWA members should be aware of, including the following:

- (a) Beyond will need to migrate AWA member banking data / information across to its core banking platform. In this regard we note that Beyond has significant experience and capability in merging businesses (as demonstrated by its strong track record of successful mergers over the past 15 years), and in particular, has executed a number of mergers with organisations that have utilised the same core banking system currently being used by the AB Partners under contract with BEN. In addition, Beyond has established an integration committee to focus on monitoring, managing and minimising the risks of integration (including the migration of AWA member banking data / information). AWA’s relatively small size (compared to Beyond) should also lower the level of integration risk. That said, such risks cannot be eliminated entirely
- (b) a key condition that must be satisfied before the Scheme can proceed is the regulatory approval of the transfer of the AWA member loans, deposits and associated services / products from BEN to Beyond pursuant to the transfer rules under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth). In this regard, BEN and Beyond have submitted a joint application to APRA and while APRA has not yet issued a formal approval, it is not expected to decline its approval the statutory transfer
- (c) AWA employees that transition to Beyond⁸⁵ will be required to adopt and become familiar with Beyond’s operational policies and procedures, IT systems, risk and compliance framework, and overall organisational strategy and objectives. The level of service enjoyed by AWA members may be impacted in the short term whilst AWA employees transition to the new operating environment.

⁸⁵ Noting that existing AWA staff will be offered a comparable role within Beyond (on equivalent employment terms). Those AWA employees that decline the offer to transition to Beyond (or within a short period post the implementation of the Scheme decide that comparable role offered to them to be unsuitable) will be entitled to a redundancy.

Service levels (in the short term) are also likely to be impacted if a large number of AWA employees do not accept Beyond's offer of employment. The more difficult the transition for employees (and greater the loss of employees), the greater the likelihood and severity of the impact on service levels. That said (and as noted at paragraph 175), Beyond is experienced in integrating new team members from both operational and cultural perspectives, and has developed detailed staff transition procedures to ensure that the employee transition risks are minimised.

Loss of brand and identity

- 206 AWA has been providing banking products and services to its members for over 50 years (via a number of different business names, the most recent of which is "AWA Alliance Bank").
- 207 If the Scheme is approved and implemented, AWA will cease to be a standalone entity (and brand) that is owned by its members and instead become a wholly owned subsidiary of Beyond. All AWA branches and banking products will transition to the Beyond brand as too will AWA's community initiative programs. Accordingly, if the Scheme proceeds, the AWA brand / identity will cease to exist.
- 208 While some AWA members may regard the loss of the AWA brand / identity as a disadvantage, we note that:
- (a) AWA has traded as "AWA Alliance Bank" since 2015. This trademark (i.e. brand) is owned by BEN, not AWA and accordingly AWA will be required to rebrand even in the absence of the Scheme (given the AB Model is being terminated)
 - (b) Beyond is committed to continuing to recognise AWA's heritage and will work with AWA to determine the best way for the merged entity to acknowledge its history
 - (c) while all banking products and services will be delivered under the Beyond brand, changes to the customer experience are expected to be relatively minor. This is because, inter alia, AWA members will continue to be able to access branches in Geelong, Portland and Mandurah and the services offered in these branches are likely to continue to be delivered by familiar staff members⁸⁶
 - (d) Beyond is a mutual organisation that shares the same principles of mutuality as AWA, i.e. is focused upon servicing its members and the communities in which their members reside (rather than being profit focused). It, like AWA, is a B Corp certified organisation (and has been attributed the highest B Corp rating for any financial services provider in Australia and the sixth highest rating globally)
 - (e) Beyond has made various commitments in respect of the continuation of AWA's existing community initiatives. Accordingly, whilst the delivery framework may change the initiatives should continue (at least in the short term).

Implications of the Scheme not proceeding

209 In the event that the Scheme does not proceed:

- (a) the advantages (and to a lesser extent, disadvantages) of the Scheme (as summarised below) will be forgone

⁸⁶ Given that all AWA's customer facing staff will be offered comparable roles within Beyond.

- (b) AWA will incur unavoidable transaction costs related to the Scheme, which are estimated to total approximately \$0.6 million. These costs include adviser, legal, accounting, expert, communication and other consultant fees and printing, postage and meeting costs. These costs are relatively material in the context of AWA on a stand-alone basis and in the event the Scheme does not proceed will be incurred by AWA without any corresponding benefits of the Scheme being realised
- (c) AWA's future beyond the termination of the AB Agreement in February 2025 will be uncertain. If AWA wishes to continue to provide banking products and services to its members, it will need to implement a different operating framework, either by partnering with another ADI licensed institution or by collaborating with BEN under the CB Model. Where the AWA Directors cannot find a viable strategy to continue to provide products and services to its members, it will in turn start the process to wind down the company, and its members' banking services and related products will instead be directly provided by BEN⁸⁷.

Taxation consequences

210 AWA has received advice with respect to the taxation consequences of the Scheme for AWA members. This advice (which applies only to Australian-resident and foreign resident AWA members that hold their AWA shares on capital account and is subject to various other caveats) is summarised in Section 10 of the Scheme Booklet. In broad terms:

- (a) a capital gains tax (CGT) event will occur when an AWA member disposes of its AWA share
- (b) Australian-resident AWA members that receive:
 - (i) a Beyond Member Share as consideration (i.e. Primary Members and Secondary Members that are not Duplicate Members) should be able to claim scrip-for-scrip CGT rollover relief, provided they correctly prepare their income tax return (i.e. the Scheme should not have any tax implications for these members)
 - (ii) cash as consideration (i.e. Duplicate Members) should not incur any CGT gain, or loss because Duplicate Members will be repaid the subscription price they originally paid for their AWA share (i.e. the consideration they receive should be equal to and offset the cost base of the AWA share that is being disposed of, thus resulting in no gain or loss)
- (c) AWA members that are tax residents of a country other than Australia (whether or not they are also tax residents, or are temporary residents of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law (noting that pursuant to Australian law, non-resident AWA members should, other than in limited circumstances, generally be able to disregard any gain or loss arising from the disposal of their AWA share).

211 However, it should be noted that the taxation consequences for each AWA member of approving the Scheme ultimately depends on the individual circumstances of that member. Accordingly, AWA members should read Section 10 of the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.

⁸⁷ If AWA were to be wound-up all AWA customers would automatically become direct customers of BEN and be subject to BEN's product pricing and terms.

Summary of opinion on the Scheme

212 We summarise below the likely advantages and disadvantages for AWA members if the Scheme proceeds.

Advantages

213 The Scheme has the following key advantages for AWA members:

- (a) as banking customers, members will (inter alia):
 - (i) have access to a similar suite of banking products and services to those presently available, noting that all pricing and fee waivers will be honoured on existing (deposit and loan) accounts. In addition, AWA members will have the added benefit of being able to access financial planning services and insurance products, neither of which are currently available under the AB Model
 - (ii) continue to have access to branches located in Geelong, Portland and Mandurah and the services offered in these branches are likely to continue to be delivered by familiar staff⁸⁸. Additionally, AWA members will have the opportunity to utilise Beyond's more extensive branch network⁸⁹
 - (iii) have similar if not improved levels of protection on their deposits (noting that deposits with Beyond are, like BEN, covered by the Australian Government guarantee of up to \$250,000 per account holder per ADI).
- (b) as shareholders, AWA members will retain a membership interest in a mutual organisation that shares similar values with AWA, being a commitment to providing services to members and the communities in which they reside, rather than being driven by profits. Rights and entitlements remain largely unaffected and members will continue to be entitled to be repaid their share subscription fee (e.g. \$10) when they cease to be a member
- (c) Beyond has committed to honouring all of AWA's community initiatives and has also pledged to make an additional one-off donation of \$200,000 to AWA's philanthropic partnership program (via its Beyond Bank Australia Foundation). While Beyond has only provided a three-year commitment to AWA's philanthropic partnership (i.e. donation) program, Beyond has a demonstrated history of maintaining the community initiatives of its merger partners well past its commitment periods. In addition, AWA members' communities may also benefit from additional support provided through new community initiatives provided by Beyond
- (d) all AWA staff (e.g. customer and non-customer facing staff, senior management etc.) will be offered a role within the merged entity (noting that the terms of employment will, at a minimum, be equivalent to the terms and conditions of employment at AWA that exist at the time the Scheme is implemented). AWA employees that accept roles within Beyond will join a significantly larger organisation with more diverse operations and therefore have greater exposure to career development opportunities and pathways that are otherwise unavailable at AWA.

⁸⁸ As Beyond has committed to retaining all AWA's customer facing staff.

⁸⁹ Beyond has 48 branches located across NSW (17), SA (14), WA (7), ACT (6) and VIC (4)).

Disadvantages

214 The key disadvantages of the Scheme for AWA members are as follows:

- (a) the underlying NTA backing per AWA Member Share for Primary Members will decline (based upon the difference between NTA per AWA Member Share and the pro-forma NTA per Beyond Member Share, refer paragraph 169). However, this analysis reflects a comparison between the Scheme and an option (i.e. the AB Model) that is no longer available to AWA (and is therefore largely irrelevant)
- (b) AWA members will forgo the opportunity to benefit from a possible future alternative transaction. The AWA Board has conducted a process to identify and evaluate its options and the only realistic alternative options (to the Scheme) that are available to AWA are the CB Model and a voluntary wind-up:
 - (i) **CB Model** – for various reasons (which are outlined in this report and the Scheme Booklet), the CB Model is considered inferior to the Scheme
 - (ii) **Voluntary wind-up** – a voluntary wind-up of AWA may result in AWA members receiving a cash payment (very broadly estimated on a pre-personal tax basis to be between \$3,000 to \$4,000⁹⁰ per member⁹¹). However, it is important that members recognise that this payment will come at the expense of having to forgo many other benefits (that are outlined at paragraph 197)⁹² and because of this, there is significant uncertainty as to whether a voluntary wind-up would garner the member support needed to be successfully implemented
- (c) the Scheme will require the integration of AWA's operations with those of Beyond, including the migration of AWA member loans and deposits, the rebranding of branches and the transition of AWA employees to Beyond staff. The integration of the two organisations is not without risk and there may be some short-term disruption to the services received by AWA customers. That said, Beyond has significant experience and capability in merging business as demonstrated by its strong track record of successful mergers over the past 15 years
- (d) the AWA brand / identity (which has over 50 years of history) will cease to exist. While some AWA members may regard this as a disadvantage, we note that:
 - (i) Beyond is committed to recognising AWA's heritage and will work with AWA to determine the best way for the merged entity to acknowledge its history
 - (ii) changes to the customer experience are expected to be relatively minor because, inter alia, AWA members will continue to be able to access branches in Geelong,

⁹⁰ The amount (which does not allow for any personal tax liabilities that may arise) is a relatively crude order of magnitude estimate only based on an assumed orderly realisation of net assets, and is dependent upon the other underlying assumptions adopted in its calculation (which are set out at paragraphs 193 to 195 inclusive, noting in particular that the time at which a wind-up may occur and the costs associated therewith are inherently uncertain). LEA does not provide any (express or implied) warranty or guarantee that the calculated amounts would actually be realised by AWA members in the event of wind-up. Actual amounts realised by AWA members in the event of a wind-up may be more or less than those estimated.

⁹¹ Secondary Members would not be entitled to any payment.

⁹² The value of these other benefits (which may be forgone) will differ by AWA member and ultimately depend upon the relative importance a member attaches to the various aspects of their relationship with AWA (as well as their expectations of the benefits of being a member of Beyond). This is a matter for individual members and consequently, LEA is unable to provide any comment in this regard.

Portland and Mandurah and the services offered in these branches are likely to continue to be delivered by familiar staff members⁹³

- (iii) AWA's role in delivering banking products and services will be assumed by a mutual organisation that shares the same principles of mutuality as AWA⁹⁴
- (iv) Beyond has made various commitments in respect of the continuation of AWA's existing community initiatives. Accordingly, whilst the delivery framework may change the initiatives should continue (at least in the short term).

Conclusion

- 215 There are a number of advantages and disadvantages associated with the Scheme. Taking all of these into consideration, we are of the opinion that, on balance, the advantages of the Scheme outweigh the disadvantages. Consequently, in our view, the Scheme is reasonable and in the best interests of AWA members in the absence of a superior proposal.
- 216 However, the assessment is highly subjective and AWA members could reasonably weigh these factors differently. For example, certain AWA members may prefer to receive cash than enjoy the advantages associated with being a member of Beyond (which is a mutual and shares similar values and objectives as AWA). In that regard, AWA members should note that they will not receive a cash payment if the Scheme is implemented, but instead will become a member of Beyond. Should AWA members prefer a cash payment (very broadly estimated on a pre-personal tax basis to be between \$3,000 to \$4,000⁹⁵ per member⁹⁶) they would need to seek to wind-up AWA. However, members should recognise the risks inherent in such a decision⁹⁷ and note that if a wind-up was undertaken, all the benefits of the Scheme would be lost (including existing member and community benefits) and AWA members may need to make alternative arrangements for their day-to-day banking needs⁹⁸.

⁹³ Given that all AWA staff will be offered roles within Beyond.

⁹⁴ i.e. is also focused upon servicing its members and the communities in which their members reside, rather than being profit focused.

⁹⁵ The amount (which does not allow for any personal tax liabilities that may arise) is a relatively crude order of magnitude estimate only based on an assumed orderly realisation of net assets, and is dependent upon the other underlying assumptions adopted in its calculation (which are set out at paragraphs 193 to 195 inclusive, noting in particular that the time at which a wind-up may occur and the costs associated therewith are inherently uncertain). LEA does not provide any (express or implied) warranty or guarantee that the calculated amounts would actually be realised by AWA members in the event of wind-up. Actual amounts realised by AWA members in the event of a wind-up may be more or less than those estimated.

⁹⁶ Secondary Members would not be entitled to any payment.

⁹⁷ For example, there is significant uncertainty as to whether a voluntary wind-up would garner the member support needed to be successfully implemented.

⁹⁸ If AWA were to be wound-up all AWA customers would automatically become direct customers of BEN and be subject to BEN's product pricing and terms.

Financial Services Guide

Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

- 3 LEA has been engaged by AWA to provide general financial product advice in the form of an IER in relation to the Scheme. The *Corporations Act 2001* (Cth) (Corporations Act) requires that LEA include this Financial Services Guide (FSG) with our IER.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

- 5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

- 6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$140,000 plus GST.
- 7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.
- 8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

Appendix A

- 9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

- 10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

- 11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Scheme Booklet should not be directed toward LEA as it is not responsible for the preparation of this document.
- 12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

- 13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

Appendix B

Qualifications, declarations and consents

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Nathan Toscan and Mr Craig Edwards, who are each authorised representatives of LEA. Mr Toscan and Mr Edwards have over 22 years' and 28 years' experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Directors of AWA to accompany the Scheme Booklet to be sent to AWA members. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Scheme is in the best interests of AWA members.
- 4 LEA expressly disclaims any liability to any AWA member who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

- 5 At the date of this report, neither LEA, Mr Toscan nor Mr Edwards have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 6 LEA has not had within the previous two years, any business or professional relationship with AWA or Beyond, or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.
- 7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.
- 8 LEA has had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

Indemnification

- 9 As a condition of LEA's agreement to prepare this report, AWA agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of AWA which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

- 10 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

AWA Constitutional Purpose and Objects and MVP

AWA Constitutional Purpose and Objects

“The purpose of the mutual [AWA] is to deliver benefits to members whilst having an overall positive impact on society and the environment including the following primary objects:

*(a) to encourage savings amongst **members** and **customers**;*

(b) to promote co-operative enterprise;

*(c) to provide programs and services to **members** and **customers** to assist them to meet their financial, economic and social needs;*

*(d) to promote, encourage and bring about human and social development among individual **members** and **customers** and within the larger community within which **members** and **customers** work and reside;*

*(e) to further the interests of **members** and the communities within which they work and live through co-operation with:*

(i) other mutuals and co-operatives; and

(ii) associations of mutuals and co-operatives,

locally and internationally; and

(f) to invest surplus capital for services and projects designed to improve the long-term sustainability and social wellbeing of the communities the Mutual serves.”⁹⁹

⁹⁹ Appendix 1 of the AWA Constitution.

Appendix C

AWA's Member Value Proposition (MVP)

- 1 AWA's MVP comprises the following critical elements, which are considered to be of equal importance:
 - (a) competitive financial services offerings (including low fees) that enable our members to undertake / meet all their banking needs with and through us
 - (b) contemporary financial services offerings delivered through digital and mobile technology
 - (c) our people provide our members and our service providers / partners access to quality, personalised service which makes dealing with us easy for members and partners.

- 2 The remaining valued (i.e. important) but not critical elements of the MVP are as follows:
 - (a) balancing:
 - (i) being sustainable
 - (ii) providing competitive offerings / pricing, and
 - (iii) contributing financially to the communities in which our members live and work¹⁰⁰
 - (b) creating opportunities for members and their money including education, advice and products that meet their needs as they journey through life
 - (c) acting responsibly as a business across the full range of environmental and social issues
 - (d) providing physical access / face-to-face interaction and relationships for those members who value that service (currently via our branches).

¹⁰⁰ The first two elements are considered to be of equal importance and the third less so.

Glossary

Abbreviation	Definition
AB Model	Alliance Bank model
AB Partners	AWA, BDCU. Circle, Service One and Nova
ACT	Australian Capital Territory
ADI	Authorised deposit-taking institution
AFCA	Australian Financial Complaints Authority
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities & Investments Commission
AWA	AWA Mutual Limited
AWA Member Shares	Member shares on issue in AWA
B Corp	B Corporation
Banking Act	<i>Banking Act 1969</i> (Cth)
BDCU	BDCU Limited
BEN	Bendigo & Adelaide Bank Limited
Beyond	Beyond Bank Australia Limited
Beyond Member Share	One fully paid member share in Beyond
Beyond D Class Share	D Class redeemable preference shares on issue in Beyond
CB Model	BEN's Community Bank model
CGT	Capital gains tax
Circle	Circle Mutual Limited
Community CPS	Community CPS Australia Limited
Constitutional Amendment	Proposed amendments to AWA's Constitution (to remove the share transfer restriction, shareholding limit, the Director share qualification requirement and the Director nomination process) which are required to implement the Scheme
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth)
Duplicate Member	Any AWA member that is already a member of Beyond
FCCU	First Choice Credit Union
FCS	Financial Claims Scheme
FSG	Financial Services Guide
FY	Financial year
GLA	Gross loans and advances
GRCL	General reserve for credit losses
IER	Independent expert's report
LEA	LonerGAN EDWARDS & ASSOCIATES LIMITED
MIA	Merger Implementation Agreement between AWA and Beyond dated 12 September 2023
MVP	Member value proposition
NCCP Act	<i>National Consumer Credit Protection Act 2009</i> (Cth)
NCD	Negotiated certificates of deposit
NIM	Net interest margin
NLA	Net loans and advances
Nova	Nova Mutual Limited
NPAT	Net profit after tax
NSW	New South Wales
NTA	Net tangible assets
PBT	Profit before tax
PP&E	Property, plant and equipment
Primary Member	AWA members other than Secondary Members

Appendix D

Abbreviation	Definition
RBA	Reserve Bank of Australia
RG 111	ASIC Regulatory Guide 111 – <i>Content of expert reports</i>
ROU	Right of use
RWA	Risk weighted assets
S&P	Standard & Poor's
SA	South Australia
Scheme	The scheme of arrangement between AWA and Beyond, pursuant to which it is proposed that Beyond will acquire 100% of AWA Member Shares on issue
Secondary Member	Secondary members of an AWA membership that is held jointly by two or more members
Service One	Service One Mutual Limited
SWCU	South West Credit Union
VIC	Victoria
WA	Western Australia

Annexure C - Scheme of Arrangement

Scheme of Arrangement

Party Details

AWA	Name	AWA Mutual Limited
	ACN	087 651 652
	Formed In	Australia
	Address	49-51 Malop Street, Geelong VIC 3220
	Email	gavin@awaab.com.au
	Attention	Gavin Heathcote
	Scheme Participants	Each person registered as a holder of an AWA Member at the Scheme Record Date
Governing law	New South Wales, Australia	

General Terms

1. Definitions and interpretation clauses

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ACCC	means the Australian Competition and Consumer Commission.
Accrued Interest	has the meaning given to that term in clause 6.2(b).
ADI	means an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cth)).
ASIC	means the Australian Securities and Investments Commission.
AWA Member Account	means the account of a Scheme Participant, designated in AWA's banking system as the primary account for that AWA Member, and in the case of a Joint Member, shall be the AWA Member Account of the Joint Member whose name first appears in the AWA Register.
AWA Register	means the register of members of AWA maintained by or on behalf of AWA in accordance with section 168(1) of the Corporations Act.

Bendigo	means Bendigo and Adelaide Bank Limited ACN 068 049 178.
Beyond	means Beyond Bank Australia Limited ACN 087 651 143.
Beyond Member	means a person who holds a Beyond Member Share from time to time.
Beyond Member Share	means a fully paid redeemable preference share in the capital of Beyond.
Beyond Tenure Adjustment	<p>means, for Beyond Member tenure purposes, the adjustment of the membership tenure in Beyond of:</p> <ul style="list-style-type: none"> (a) a Duplicate Member, such that it will be deemed to have become a Beyond Member on the first to occur of: <ul style="list-style-type: none"> (i) the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date); (ii) the date that it first became a Beyond Member (provided that Beyond membership has been continuously held between that date and the Implementation Date); (b) each other Scheme Participant, such that it will be deemed to have become a Beyond Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).
Beyond Register	means the register of members of Beyond maintained by or on behalf of Beyond in accordance with section 168(1) of the Corporations Act.
Business Day	means any day for which banks are open for business in both Melbourne, Victoria and Adelaide, South Australia (not being a Saturday, Sunday or public holiday in either of those places).
Cash Consideration	means the sum of \$10.00 per Scheme Share payable pursuant to clause 6.2 of the Scheme.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Court	means the Federal Court of Australia (Melbourne registry), or such other court of competent jurisdiction under the Corporations Act agreed by the parties.
Cut-Off Time	means 8.00am on the Second Court Date.
Deed Poll	means the deed poll to be executed by Beyond prior to the First Court Date substantially in the form of Annexure B to the Merger Implementation Agreement or as otherwise agreed by Beyond and AWA under which Beyond covenants in favour of each Scheme Participant to perform its obligations under this Scheme.

Duplicate Member	means either: <ul style="list-style-type: none"> (a) a Scheme Participant that is not a Joint Member that holds a Beyond Member Share at the Scheme Record Date; or (b) a Joint Member where either of the Primary Member or Secondary Member(s) holds a Beyond Bank Member Share at the Scheme Record Date.
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any 'security interest' as defined in sections 12(1) or 12(2) of the <i>Personal Property Securities Act 2009 (Cth)</i> or any agreement to create any of them or allow them to exist.
End Date	means the earliest of: <ul style="list-style-type: none"> (a) the date of termination of the Merger Implementation Agreement in accordance with its terms; or (b) 30 June 2024, or such other date as is agreed in writing by Beyond and AWA.
End Transfer Products	means loan and deposit products sold by AWA and held on the balance sheet of Bendigo, including any loan assets and deposit liabilities as at the "transfer time" (as defined in the Alliance Agreement) transferred by AWA to Bendigo pursuant to Part 1 of the Alliance Agreement that are still on the balance sheet of Bendigo. End Transfer Products includes margin loans, debit cards, credit cards, non-cash payment products including direct entry credits and debits.
First Court Date	means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.
Immediately Available Funds	means a bank cheque or other form of cleared funds acceptable to AWA.
Implementation Date	means 12.00AM on 1 March 2024 (provided it is after the Scheme Record Date), or such other date following the Scheme Record Date, date agreed by the parties and approved by the Court.
Joint Member	a person that holds an AWA Member Share jointly with another person, as shown in the AWA Register.

Merger Implementation Agreement or MIA	means the merger implementation agreement dated on or around 12 September 2023 between AWA and Beyond, and amended and restated on 8 December 2023, under which, among other things, AWA has agreed to propose this Scheme to AWA Members, and each of AWA and Beyond has agreed to take certain steps to give effect to this Scheme.
Party Details	means the details of the parties set out at the commencement of this document.
Primary Member	means any Joint Member of AWA that is first named in the Register with respect to the relevant Joint Member, and that is not a Secondary Member.
Regulatory Authority	includes: <ul style="list-style-type: none"> (a) ACCC, ASIC, APRA, the Takeovers Panel and the ATO; (b) a government or governmental, semi-governmental or judicial entity or authority; (c) a minister (including, to avoid doubt, the Commonwealth Treasurer), department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any regulatory organisation established under statute.
Scheme	means this scheme of arrangement between AWA and Scheme Participants under which all of the Scheme Shares will be transferred to Beyond under Part 5.1 of the Corporations Act as described in clauses 4 and 5 of this Scheme, subject to any amendment, condition or modification made or required pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by AWA and Beyond in accordance with clause 5 or clause 10.1 of this Scheme.
Scheme Consideration	means the consideration provided by Beyond for the transfer of Scheme Shares held by a Scheme Participant to Beyond, being, in respect of each: <ul style="list-style-type: none"> (a) Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00; (b) Scheme Share that is held jointly by a Joint Member where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date: <ul style="list-style-type: none"> (i) one Beyond Member Share to be issued to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00; and (ii) one Beyond Member Share to be issued to each other Secondary Member, taken to have been issued (and fully paid up) with a nil subscription price,

and otherwise to be issued on the same terms as all other Beyond Members Shares, subject to the Beyond Tenure Adjustment; and

- (c) Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - (i) is not a Joint Member, the Cash Consideration and (if applicable) the Beyond Tenure Adjustment; or
 - (ii) is a Joint Member and:
 - (A) where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made;
 - (B) where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.

Scheme Meeting	means the meeting or meetings of AWA Members ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act, at which AWA Members will vote on the Scheme, and includes any adjournment of such meeting.
Scheme Participants	means each person who is an AWA Member at the Scheme Record Date, other than Beyond.
Scheme Record Date	means 5.00pm on the fifth Business Day following the Effective Date or such other date as AWA and Beyond agree.
Scheme Share	an AWA Member Share held by a Scheme Participant as at the Scheme Record Date.
Second Court Date	means the first day on which an application made to the Court pursuant to section 411(4)(b) of the Corporations Act, for approval of the Scheme, is heard.
Secondary Member	means a Joint Member of AWA that is not a Primary Member with respect to that Joint Member and has not paid a subscription price in respect of the AWA Member Share held by the relevant Joint Member.

Share Scheme Transfer	means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Statutory Transfer	means a partial voluntary transfer of business by Bendigo to Beyond under the Transfer Act as regards to the End Transfer Products as existing on the date the partial voluntary transfer of business becomes effective, in accordance with the Transfer Act and the Transfer Rules.
Transfer Act	means the <i>Financial Sector (Transfer and Restructure) Act 1999</i> (Cth).
Transfer Rules	means the <i>Financial Sector (Business Transfer and Group Restructure). Determination No. 2 of 2017</i> (Cth).
Trust Account	means the trust account with an ADI operated by or on behalf of AWA nominated by AWA to hold the Cash Consideration on trust for the purpose of paying the Cash Consideration to the Scheme Participants in accordance with clause 6.2 of this Scheme.
Unclaimed Money Act	means the <i>Unclaimed Money Act 1995 (NSW)</i> .

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and the plural includes the singular;
- (a) words of any gender include all genders;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (c) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Regulatory Authority, as well as an individual;
- (d) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this agreement;
- (e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Regulatory Authority with legal power to do so);
- (f) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;

- (g) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (h) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, New South Wales;
- (i) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this agreement;
- (j) a reference to a party to a document includes that party's successors and permitted assignees;
- (k) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a reference to a body (including an institute, association or authority), other than a party to this agreement, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (p) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or Third Party, or death;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (s) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

- (t) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

2. Preliminary

2.1 AWA

AWA is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Victoria.

As at 31 August 2023, AWA's securities are 3,993 AWA Member Shares (being fully paid redeemable preference shares in the capital of AWA).

2.2 Beyond

Beyond is a public company limited by shares incorporated in Australia. Its registered address is at Level 12, 100 Waymouth Street, Adelaide SA 5000.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) all Scheme Shares will be transferred to Beyond on the Implementation Date;
- (b) AWA will enter the name of Beyond in the AWA Register in respect of all Scheme Shares transferred to Beyond in accordance with the terms of this Scheme;
- (c) each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with the provisions of this Scheme; and
- (d) it will bind AWA and all Scheme Participants, including those who do not attend the Scheme Meeting to vote on this Scheme, those who do not vote at that meeting, and those who vote against this Scheme at that meeting.

2.4 Merger Implementation Agreement

AWA and Beyond have agreed by executing the Merger Implementation Agreement to implement the terms of this Scheme on the terms and conditions of that document.

2.5 Deed Poll

Beyond has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration.

3. Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all of the conditions precedent in clause 3.1 of the Merger Implementation Agreement (**MIA**) (other than the condition precedent in clause 3.1(f) of the MIA relating to Court approval of the Scheme) having been satisfied or waived in accordance with the terms of the MIA by the Cut-Off Time;
- (b) neither the MIA nor the Deed Poll having been terminated in accordance with their terms as at the Cut-Off Time;
- (c) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are agreed to in writing between AWA and Beyond;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing between AWA and Beyond having been satisfied;
- (e) the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable section 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date AWA and Beyond agree in writing).

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3 Certificate in relation to conditions precedent

- (a) AWA and Beyond must each provide to the Court on the Second Court Date (and to each other) a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived as at the Cut-Off Time.
- (b) The certificate referred to in clause 3.3(a) above will constitute conclusive evidence of whether the conditions precedent in clauses 3.1(a) and 3.1(b) above have been satisfied, waived or taken to have been waived.

4. Scheme

4.1 Effective Date

Subject to clause 4.2 this Scheme will come into effect pursuant to section 411(10) of the Corporations Act, on and from the Effective Date.

4.2 End Date

Without limiting any rights under the Merger Implementation Agreement, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Merger Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless AWA and Beyond otherwise agree in writing.

5. Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

Following approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, AWA must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the Court approves this Scheme.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to:

- (a) the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.2 of this Scheme; and
- (b) Beyond having provided AWA with written confirmation by no later than 12.00pm (or such later time as AWA and Beyond agree in writing) on the Implementation Date that the Scheme Consideration (other than Cash Consideration) has been provided in the manner contemplated by clause 6.1:

the Scheme Shares, together with all rights attaching to them as at the Implementation Date, will be transferred to Beyond without the need for any further act by any Scheme Participant (other than acts performed by AWA or its officers as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:

- (c) AWA delivering to Beyond a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants; and
- (d) Beyond duly executing the Share Scheme Transfer, attending to the stamping of the Share Scheme Transfer (if required) and delivering it to AWA for registration; and

as soon as practicable after receipt of the duly executed Share Scheme Transfer, but subject to the stamping of the Share Scheme Transfer (if required), AWA must enter, or procure the entry of, the name of Beyond in the AWA Register in respect of all Scheme Shares transferred to Beyond in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Beyond of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme and the Deed Poll.

5.4 Title and rights in AWA Member Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, Beyond will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by AWA of Beyond in the AWA Register as the holder of the Scheme Shares.

5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant:

- (a) agrees to the transfer of their Scheme Shares, together with all rights attaching to them, in accordance with the terms of this Scheme; and
- (b) shall be deemed to have applied, for the purposes of rule 3.1 of the Beyond Constitution, for each Beyond Member Share to be issued to it as Scheme Consideration.

5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to Beyond and is deemed to have authorised AWA to warrant to Beyond as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all of their Scheme Shares (including all rights attaching to them) transferred to Beyond under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances, or any other third-party interest, or restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including all rights attaching to them) to Beyond under the Scheme,

and AWA undertakes that it will provide such warranty to Beyond as agent and attorney of each Scheme Participant.

5.7 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including all rights attaching to them) which are transferred to Beyond under this Scheme will, at the date of the transfer of them to Beyond, vest in Beyond free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.8 Appointment of Beyond as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.1 of this Scheme, on and from the Implementation Date until AWA registers Beyond as the holder of all of the Scheme Shares in the AWA Register, each Scheme Participant:

- (a) irrevocably appoints AWA as attorney and agent (and directs AWA in such capacity) to appoint Beyond and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable, corporate representative to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Beyond reasonably directs.

AWA undertakes in favour of each Scheme Participant that it will appoint Beyond and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8 of this Scheme.

6. Scheme Consideration

6.1 Provision of Scheme Consideration other than Cash Consideration

Beyond must:

- (a) before 12.00pm (or such later time as AWA and Beyond may agree in writing) on the Implementation Date (and in accordance with this Scheme and the Deed Poll):
 - (i) in respect of each Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), issue one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - (ii) in respect of each Scheme Share that is held by a Joint Member, where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date:
 - (A) issue one Beyond Member Share to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00 each, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment; and
 - (B) issue one Beyond Member Share to the each other Secondary Member, taken to have been issued (and fully paid up) with a nil

subscription price, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;

- (iii) in respect of each Scheme Share that is held by a Duplicate Member, where that Duplicate Member is a Joint Member, and where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - (iv) and procure that the name and address of each Scheme Participant entitled to receive a new Beyond Member Share as Scheme Consideration is entered in the Beyond Register as the holder of the applicable new Beyond Member Shares with the same holding name and address and other details as the holding of the Scheme Share being transferred;
- (b) no later than two Business Days after the Implementation Date, send or procure the dispatch to the registered address of each Scheme Participant, a holding statement (or equivalent document) representing the new Beyond Member Shares issued to that Scheme Participant;
- (c) ensure that the new Beyond Member Shares issued, at the time they are issued:
- (i) have the rights set out in the Beyond Constitution;
 - (ii) rank equally in all respects among themselves and with all other Beyond Member Shares on issue;
 - (iii) are fully paid (to the amounts specified in the applicable Scheme Consideration), duly and validly issued in accordance with all applicable laws and free from any Encumbrance; and
- (d) ensure that, for membership tenure purposes, the Beyond Tenure Adjustment is recognised in the Beyond Register such that each Scheme Participant (other than a Duplicate Member) shall be recognised to have become a Beyond Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).

6.2 Payment of Cash Consideration

- (a) The obligation of Beyond to pay or procure payment of the Cash Consideration pursuant to clause 5.3 of this Scheme is satisfied by Beyond, no later than 3 Business Days before the Implementation Date, depositing (or procuring the deposit of) in Immediately Available Funds the aggregate amount of the Cash Consideration payable to all Scheme Participants that are Duplicate Members into the Trust Account, such amount to be held by AWA on trust for those

Duplicate Members for the purposes of paying the Cash Consideration to them in accordance with clause 6.2(c) of this Scheme.

- (b) The amount of any interest (less any bank fees and other charges) on the amount deposited in the Trust Account will be to Beyond's account (**Accrued Interest**).
- (c) On the Implementation Date, subject to receipt of the Cash Consideration from Beyond in accordance with clause 6.2(a) of this Scheme, AWA must pay (or procure the payment) from the Trust Account, an amount equal to the Cash Consideration to each holder of a Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - (i) is not a Joint Member; or

is a Joint Member where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date.
- (d) Unless otherwise directed by a Scheme Participant before the Scheme Record Date, the amounts referred to in clause 6.2(c) of this Scheme must be paid by direct credit to the AWA Member Account or by sending a cheque drawn on an Australian bank in Australian currency on the Implementation Date to the Scheme Participant by pre-paid regular post to their address shown in the AWA Register as at 7.00 pm on the Scheme Record Date (or in the case of joint holders, in accordance with clause 6.6).
- (e) If:
 - (i) a Scheme Participant does not have an AWA Member Account or an address recorded in the AWA Register, or AWA as trustee for the Scheme Participants believes that a Scheme Participant is not known at the Scheme Participant's registered address; or
 - (ii) a cheque for the purposes of clause 6.2(d) has been cancelled in accordance with clause 6.3(a),

AWA as the trustee for the Scheme Participants may credit the amount payable to the relevant Scheme Participant to a separate bank account of AWA (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. If the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. Until such time as the amount is dealt with in accordance with the Unclaimed Money Act, AWA must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of Beyond. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Participant when credited to the Separate Account or Trust Account (as applicable). AWA must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (f) To the extent that there is a surplus in the amount held by AWA as the trustee for the Scheme Participants in the Trust Account, that surplus may be paid by AWA as the trustee for the Scheme Participants to Beyond following the satisfaction of AWA's obligations as the trustee for the Scheme Participants under this clause 6.2.
- (g) AWA must pay any Accrued Interest to any account nominated by Beyond following satisfaction of AWA's obligations under this clause 6.2.

6.3 Unclaimed monies

- (a) AWA may cancel a cheque issued under clause 6.2 of this Scheme if the cheque:
 - (i) is returned to AWA; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to AWA, AWA must reissue a cheque that was previously cancelled under clause 6.3(a).
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the Unclaimed Money Act).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Beyond.

6.4 Orders of a court or Regulatory Authority

In the case of notice having been given to AWA of an order or direction made by or requirement of a court of competent jurisdiction or by another Regulatory Authority:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to, or required to be issued to, that Scheme Participant in accordance with this clause 6 of this Scheme, then AWA must procure that payment is made in accordance with that order or direction; or
- (b) which would prevent AWA from dispatching payment to any particular Scheme Participant in accordance with clause 6.2 of this Scheme, or such payment is otherwise prohibited by applicable law, AWA must retain an amount, in Australian dollars, equal to the Cash Consideration due to the relevant Scheme Participant until such time as payment in accordance with clause 6.2 of this Scheme is permitted by that order or direction or otherwise by law,

and the payment or retention by AWA (or its registry) will constitute the full discharge of AWA's obligations under clause 6.2(c) with respect to the amount so paid or retained until, in the case of clause 6.4(b), it is no longer required to be retained.

6.5 Withholding

- (a) If AWA determines, having regard to legal advice, that Beyond is either:
 - (i) required by law to withhold any amount from a payment to a Scheme Participant; or
 - (ii) liable to pay an amount to the Commissioner of Taxation under section 14-200 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* (amounts required to be paid for CGT non-resident withholding) in respect of the acquisition of Scheme Shares from a Scheme Participant,

then Beyond is entitled to withhold the relevant amount before making the payment to the Scheme Participant (and payment of the reduced amount is to be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 6.2).

- (b) Beyond must pay any amount so withheld to the relevant taxation authority within the time permitted by law, and, if requested in writing by the relevant Scheme Participant, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment to the relevant Scheme Participant.

6.6 Joint Holders

- (a) Any Cash Consideration payable to a Joint Member is payable to and must be forwarded to the holder whose name appears first in the AWA Register as at 7.00 pm on the Scheme Record Date.
- (b) Any document required to be sent under this Scheme will be forwarded, at the sole discretion of AWA, either to the holder whose name first appears in the AWA Register as at the Scheme Record Date or to the joint holders.

7. Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the AWA Register will only be recognised by AWA if registrable transmission applications or transfers in registrable form in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Scheme Record Date at the place where the AWA Register is kept.

7.2 AWA Register

AWA must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1 of this Scheme on or before 5.00pm on the Scheme Record Date.

7.3 No disposals after Effective Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5:00pm on the Scheme Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) AWA will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 5.00pm on the Scheme Record Date (except a transfer to Beyond pursuant to this Scheme and any subsequent transfer by Beyond or its successors in title).

7.4 Maintenance of AWA Register

For the purpose of determining entitlements to the Scheme Consideration, AWA will maintain the AWA Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been provided to the Scheme Participants and Beyond has been entered in the AWA Register as the holder of all the Scheme Shares. The AWA Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Beyond contemplated in this Scheme, any statements of holding or share certificates in respect of Scheme Shares will cease to have effect after 5.00pm on the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of Beyond and its successors in title). After 5.00pm on the Scheme Record Date, each entry current on the AWA Register as at 5.00pm on the Scheme Record Date (other than entries in respect of Beyond or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6 Details of Scheme Participants

Within 1 Business Day after the Scheme Record Date, AWA will ensure that details of the names, registered addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the AWA Register at 5.00pm on the Scheme Record Date are available to Beyond in such form as Beyond reasonably requires.

8. Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints AWA and each of its directors, officers and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme including the Share Scheme Transfer; and
- (b) on the Effective Date, enforcing the Deed Poll against Beyond,

and AWA accepts such appointment. AWA, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8 to all or any of its directors or officers (jointly, severally or jointly and severally).

9. Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to AWA, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at AWA's registered office or at the office of the registrar of AWA Member Shares.

9.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any AWA Member will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10. General

10.1 Variations, alterations and conditions

AWA may, with the consent of Beyond, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

Each Scheme Participant agrees to any such variations, alterations or conditions which AWA has consented to.

10.2 Further action by AWA

AWA will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

10.3 Authority and acknowledgement

Each of the Scheme Participants:

- (a) irrevocably consents to AWA and Beyond doing all things necessary or expedient for or incidental to the implementation of this Scheme, whether on behalf of the Scheme Participants, AWA or otherwise;
- (b) agrees to the variation, cancellation or modification of the rights attached to their AWA Member Shares constituted by or resulting from this Scheme; and
- (c) acknowledges that this Scheme binds AWA and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that

meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of AWA.

10.4 **No liability when acting in good faith**

Neither AWA nor Beyond, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.5 **Enforcement of Deed Poll**

AWA undertakes in favour of each Scheme Participant to enforce the Deed Poll against Beyond on behalf of and as agent and attorney for the Scheme Participants.

10.6 **Stamp duty**

Beyond will:

- (a) pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme or the transactions effected by or made under the Scheme; and
- (b) indemnify each Scheme Participant against any liability arising from failure to comply with clause 10.6(a),

subject to and in accordance with clause 7 of the Deed Poll.

11. **Governing law**

11.1 **Governing law and jurisdiction**

The law in force in the place specified in the Party Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

11.2 **Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Party Details, provided that a copy of the document (or details of it) must also be sent by email to the email address set out in the Party Details.

Annexure D - Deed Poll

Deed Poll

Dated 11 December 2023

Given by:

Beyond Bank Australia Limited

In favour of:

The Scheme Participants

being each registered holder of shares in
AWA Mutual Limited as at 5.00pm (Sydney time)
on the Scheme Record Date

Ref GH:OC:1157651

Doc ID 1139556463/v1

Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 Australia
GPO Box 5408, Sydney NSW 2001 Australia

Telephone +61 2 9334 8555

Facsimile 1300 369 656 (Australia) +61 2 9334 8555 (International)
hwlebsworth.com.au

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Deed Poll

Details

Parties

Beyond

Name	Beyond Bank Australia Limited
ACN	087 651 143
Formed in	Australia
Address	Level 12, 100 Waymouth Street, Adelaide SA 5000
Email	rkeogh@beyondbank.com.au
Attention	Robert Keogh

In favour of

Each registered holder of shares in AWA as at 5.00pm on the Scheme Record Date.

Governing law

New South Wales, Australia

Recitals

- A. AWA and Beyond have entered into the Merger Implementation Agreement.
- B. The AWA Directors have resolved that AWA should propose the Scheme.
- C. The effect of the Scheme will be that all Scheme Shares will be transferred to Beyond.
- D. In the Merger Implementation Agreement, Beyond agreed (amongst other things) to provide the Scheme Consideration to AWA on behalf of the Scheme Participants, subject to the satisfaction of certain conditions and on the terms and conditions of the Merger Implementation Agreement.
- E. Beyond is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations under the Merger Implementation Agreement and in relation to the Scheme.

1. Definitions and interpretation clauses

1.1 Definitions

Unless the contrary intention appears, these meanings apply

Details	means the section of this document headed “Details”.
First Court Date	means the first day on which an application made to the Court, for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Insolvent	<p>A person is Insolvent if:</p> <ul style="list-style-type: none"> (a) it is (or states it is) insolvent under administration or insolvent (each as defined in the Corporations Act); or (b) it is in liquidation, in provisional liquidation, under administration, or wound up, or it has had a controller (as defined in the Corporations Act) appointed to its property; or (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or is dissolved; or (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 20 Business Days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this deed reasonably deduces it is so subject); or (g) it is otherwise unable to pay its debts when they fall due; or (h) something having a substantially similar effect to (a) to (g) above happens in connection with that person under the law of any jurisdiction.
Merger Implementation Agreement	means the merger implementation agreement dated on or around 12 September 2023 between AWA and Beyond and amended and restated on or about 9 December 2023, under which, among other things, AWA has agreed to propose the Scheme,

and each of Beyond and AWA has agreed to take certain steps to give effect to the Scheme.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between AWA and Scheme Participants under which all the Scheme Shares will be transferred to AWA, substantially in the form of Annexure A to this deed poll, or as otherwise agreed by AWA and Beyond, subject to any amendments or conditions pursuant to section 411(6) of the Corporations Act, to the extent they are approved in writing by AWA and Beyond in accordance with clause 10.1 of the Scheme.

Scheme Shares means an AWA Member Share held by a Scheme Participant as at the Scheme Record Date.

All other words and phrases used in this document have the same meaning as given to them in the Scheme. These are also defined in the Scheme.

1.2 Interpretation

- (a) Clause 1.2 of the Scheme applies to this document.
- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.3 Nature of deed poll

Beyond acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Beyond and each of its directors, officers and secretaries (jointly and severally) as its agent and attorney to enforce this deed poll against Beyond.

2. Condition precedent and termination

2.1 Condition precedent

Beyond's obligations under this document are subject to the Scheme becoming Effective.

2.2 Termination

Beyond's obligations under this document to Scheme Shareholders will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date, unless Beyond and AWA otherwise agree in writing; or

- (b) the Merger Implementation Agreement is terminated in accordance with its terms.

2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Beyond is released from its obligations to further perform this document except those obligations contained in clause 7 and any other obligations which by their nature survive termination (including obligations in the Merger Implementation Agreement expressed to survive termination); and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Beyond in respect of any breach of this document which occurs before it is terminated.

3. Performance of obligations generally

- (a) Beyond must comply with its obligations under the Merger Implementation Agreement and, subject to the terms of that document, do all acts and things necessary or desirable on its part to give full effect to the Scheme.
- (b) Subject to clause , Beyond undertakes in favour of each Scheme Participant to undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme subject to and in accordance with the terms of the Scheme.

4. Scheme Consideration

Subject to clause 2 **Error! Reference source not found.**, in consideration for the transfer to Beyond of each Scheme Share, Beyond undertakes in favour of each Scheme Participant to provide the Scheme Consideration to Scheme Participants in accordance with clause 6 of the Scheme.

5. Representations and warranties

Beyond represents and warrants that:

- (a) (**Beyond Member Shares**) upon issue:
 - (i) the Beyond Member Shares to be issued to Scheme Participants will rank equally in all respects with all existing Beyond Member Shares; and
 - (ii) each new Beyond Member Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest;
- (a) (**CGT election**) it will not make any election under any applicable tax legislation or rulings made by a government agency (including the Australian Tax Office)

pursuant to such legislation to prevent a capital gains tax (**CGT**) scrip-for-scrip rollover from being available to Scheme Participants who exchange AWA Member Shares for new Beyond Member Shares under the Scheme;

- (b) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (c) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (d) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with or result in the breach of or default under:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (i) any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound or which is applicable to it or its assets; or
 - (ii) any Encumbrance or document binding on or applicable to it;
- (e) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (f) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (g) **(solvency)** it is not Insolvent.

6. Continuing obligations

This document is irrevocable and, subject to clause 2 **Error! Reference source not found.**, remains in full force and effect until:

- (a) Beyond has fully performed its obligations under this document; or
- (b) The earlier termination of this document under clause 2.2.

7. Costs

Beyond:

- (a) agrees to pay or reimburse all stamp duty, and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and

- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 7(a).

8. Notices

- (a) Notices and other communications in connection with this document must be in writing. They must be sent to the address or email address referred to in the Details and (except in the case of email) marked for the attention of the person referred to in the Details. If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

- (b) A Notice is regarded as given and received as follows:

Method	When Notice regarded as given and received
By hand to nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The first to occur of: <ol style="list-style-type: none"> 1. the sender receiving an automated message confirming delivery; or 2. two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered

- (a) A Notice must not be given by electronic means of communication (other than email as permitted by this clause 8).

9. General

9.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by AWA and Beyond in writing; and
- (b) if the variation occurs after the First Court Date (as that term is defined in the Merger Implementation Agreement), the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme, in which event Beyond must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

9.2 Partial exercising of rights

Unless this document expressly states otherwise, if Beyond does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

9.3 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

9.4 Assignment or other dealings

Beyond and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Beyond and AWA.

9.5 Joint and several obligations

Beyond is liable for each obligation imposed on it by the terms of this deed poll.

9.6 Further steps

Beyond agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant), at its own expense, necessary or expedient to give full effect to this document and the transactions contemplated by it.

10. Governing law and jurisdiction

10.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. Beyond submits to the non-exclusive jurisdiction of the courts of that place.

10.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Beyond by being delivered or left at Beyond's address set out in the Details, provided that a copy of the document (or details of it) must also be sent by email to the email address set out in the Details.

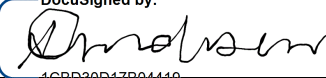
EXECUTED as a deed poll

Signing page

Executed as a deed


DATED: 11 December 2023

Executed by Beyond Bank Australia Limited 087 651 143 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

DocuSigned by:

1CDD30D17D04419...
Signature of Director

Sandra Andersen
Full name (print)

11 December 2023 | 13:56 AEDT
Date

DocuSigned by:

784E50AD68BA04C9...
Signature of Director/Company Secretary

Michelle Nave
Full name (print)

11 December 2023 | 14:46 AEDT
Date

Annexure A Scheme of Arrangement

Annexure A Scheme of Arrangement

Party Details

AWA	Name	AWA Mutual Limited
	ACN	087 651 652
	Formed In	Australia
	Address	49-51 Malop Street, Geelong VIC 3220
	Email	gavin@awaab.com.au
	Attention	Gavin Heathcote
	Scheme Participants	Each person registered as a holder of an AWA Member at the Scheme Record Date
Governing law	New South Wales, Australia	

General Terms

1. Definitions and interpretation clauses

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ACCC	means the Australian Competition and Consumer Commission.
Accrued Interest	has the meaning given to that term in clause 6.2(b).
ADI	means an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cth)).
ASIC	means the Australian Securities and Investments Commission.
AWA Member Account	means the account of a Scheme Participant, designated in AWA's banking system as the primary account for that AWA Member, and in the case of a Joint Member, shall be the AWA Member Account of the Joint Member whose name first appears in the AWA Register.
AWA Register	means the register of members of AWA maintained by or on behalf of AWA in accordance with section 168(1) of the Corporations Act.

Bendigo	means Bendigo and Adelaide Bank Limited ACN 068 049 178.
Beyond	means Beyond Bank Australia Limited ACN 087 651 143.
Beyond Member	means a person who holds a Beyond Member Share from time to time.
Beyond Member Share	means a fully paid redeemable preference share in the capital of Beyond.
Beyond Tenure Adjustment	<p>means, for Beyond Member tenure purposes, the adjustment of the membership tenure in Beyond of:</p> <ul style="list-style-type: none">(a) a Duplicate Member, such that it will be deemed to have become a Beyond Member on the first to occur of:<ul style="list-style-type: none">(i) the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date);(ii) the date that it first became a Beyond Member (provided that Beyond membership has been continuously held between that date and the Implementation Date);(b) each other Scheme Participant, such that it will be deemed to have become a Beyond Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).
Beyond Register	means the register of members of Beyond maintained by or on behalf of Beyond in accordance with section 168(1) of the Corporations Act.
Business Day	means any day for which banks are open for business in both Melbourne, Victoria and Adelaide, South Australia (not being a Saturday, Sunday or public holiday in either of those places).
Cash Consideration	means the sum of \$10.00 per Scheme Share payable pursuant to clause 6.2 of the Scheme.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Court	means the Federal Court of Australia (Melbourne registry), or such other court of competent jurisdiction under the Corporations Act agreed by the parties.
Cut-Off Time	means 8.00am on the Second Court Date.
Deed Poll	means the deed poll to be executed by Beyond prior to the First Court Date substantially in the form of Annexure B to the Merger Implementation Agreement or as otherwise agreed by Beyond and AWA under which Beyond covenants in favour of each Scheme Participant to perform its obligations under this Scheme.

Duplicate Member	means either: <ul style="list-style-type: none">(a) a Scheme Participant that is not a Joint Member that holds a Beyond Member Share at the Scheme Record Date; or(b) a Joint Member where either of the Primary Member or Secondary Member(s) holds a Beyond Bank Member Share at the Scheme Record Date.
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any 'security interest' as defined in sections 12(1) or 12(2) of the <i>Personal Property Securities Act 2009 (Cth)</i> or any agreement to create any of them or allow them to exist.
End Date	means the earliest of: <ul style="list-style-type: none">(a) the date of termination of the Merger Implementation Agreement in accordance with its terms; or(b) 30 June 2024, or such other date as is agreed in writing by Beyond and AWA.
End Transfer Products	means loan and deposit products sold by AWA and held on the balance sheet of Bendigo, including any loan assets and deposit liabilities as at the "transfer time" (as defined in the Alliance Agreement) transferred by AWA to Bendigo pursuant to Part 1 of the Alliance Agreement that are still on the balance sheet of Bendigo. End Transfer Products includes margin loans, debit cards, credit cards, non-cash payment products including direct entry credits and debits.
First Court Date	means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.
Immediately Available Funds	means a bank cheque or other form of cleared funds acceptable to AWA.
Implementation Date	means 12.00AM on 1 March 2024 (provided it is after the Scheme Record Date), or such other date following the Scheme Record Date, date agreed by the parties and approved by the Court.
Joint Member	a person that holds an AWA Member Share jointly with another person, as shown in the AWA Register.

Merger Implementation Agreement or MIA	means the merger implementation agreement dated on or around 12 September 2023 between AWA and Beyond, and amended and restated on 8 December 2023, under which, among other things, AWA has agreed to propose this Scheme to AWA Members, and each of AWA and Beyond has agreed to take certain steps to give effect to this Scheme.
Party Details	means the details of the parties set out at the commencement of this document.
Primary Member	means any Joint Member of AWA that is first named in the Register with respect to the relevant Joint Member, and that is not a Secondary Member.
Regulatory Authority	includes: <ul style="list-style-type: none"> (a) ACCC, ASIC, APRA, the Takeovers Panel and the ATO; (b) a government or governmental, semi-governmental or judicial entity or authority; (c) a minister (including, to avoid doubt, the Commonwealth Treasurer), department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any regulatory organisation established under statute.
Scheme	means this scheme of arrangement between AWA and Scheme Participants under which all of the Scheme Shares will be transferred to Beyond under Part 5.1 of the Corporations Act as described in clauses 4 and 5 of this Scheme, subject to any amendment, condition or modification made or required pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by AWA and Beyond in accordance with clause 5 or clause 10.1 of this Scheme.
Scheme Consideration	means the consideration provided by Beyond for the transfer of Scheme Shares held by a Scheme Participant to Beyond, being, in respect of each: <ul style="list-style-type: none"> (a) Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00; (b) Scheme Share that is held jointly by a Joint Member where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date: <ul style="list-style-type: none"> (i) one Beyond Member Share to be issued to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00; and (ii) one Beyond Member Share to be issued to each other Secondary Member, taken to have been issued (and fully paid up) with a nil subscription price,

and otherwise to be issued on the same terms as all other Beyond Members Shares, subject to the Beyond Tenure Adjustment; and

- (c) Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - (i) is not a Joint Member, the Cash Consideration and (if applicable) the Beyond Tenure Adjustment; or
 - (ii) is a Joint Member and:
 - (A) where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made;
 - (B) where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.

- Scheme Meeting** means the meeting or meetings of AWA Members ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act, at which AWA Members will vote on the Scheme, and includes any adjournment of such meeting.
- Scheme Participants** means each person who is an AWA Member at the Scheme Record Date, other than Beyond.
- Scheme Record Date** means 5.00pm on the fifth Business Day following the Effective Date or such other date as AWA and Beyond agree.
- Scheme Share** an AWA Member Share held by a Scheme Participant as at the Scheme Record Date.
- Second Court Date** means the first day on which an application made to the Court pursuant to section 411(4)(b) of the Corporations Act, for approval of the Scheme, is heard.
- Secondary Member** means a Joint Member of AWA that is not a Primary Member with respect to that Joint Member and has not paid a subscription price in respect of the AWA Member Share held by the relevant Joint Member.

Share Scheme Transfer	means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Statutory Transfer	means a partial voluntary transfer of business by Bendigo to Beyond under the Transfer Act as regards to the End Transfer Products as existing on the date the partial voluntary transfer of business becomes effective, in accordance with the Transfer Act and the Transfer Rules.
Transfer Act	means the <i>Financial Sector (Transfer and Restructure) Act 1999</i> (Cth).
Transfer Rules	means the <i>Financial Sector (Business Transfer and Group Restructure) Determination No. 2 of 2017</i> (Cth).
Trust Account	means the trust account with an ADI operated by or on behalf of AWA nominated by AWA to hold the Cash Consideration on trust for the purpose of paying the Cash Consideration to the Scheme Participants in accordance with clause 6.2 of this Scheme.
Unclaimed Money Act	means the <i>Unclaimed Money Act 1995 (NSW)</i> .

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and the plural includes the singular;
- (a) words of any gender include all genders;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (c) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Regulatory Authority, as well as an individual;
- (d) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this agreement;
- (e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Regulatory Authority with legal power to do so);
- (f) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;

- (g) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (h) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, New South Wales;
- (i) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this agreement;
- (j) a reference to a party to a document includes that party's successors and permitted assignees;
- (k) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a reference to a body (including an institute, association or authority), other than a party to this agreement, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (p) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or Third Party, or death;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (s) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

- (t) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

2. Preliminary

2.1 AWA

AWA is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Victoria.

As at 31 August 2023, AWA's securities are 3,993 AWA Member Shares (being fully paid redeemable preference shares in the capital of AWA).

2.2 Beyond

Beyond is a public company limited by shares incorporated in Australia. Its registered address is at Level 12, 100 Waymouth Street, Adelaide SA 5000.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) all Scheme Shares will be transferred to Beyond on the Implementation Date;
- (b) AWA will enter the name of Beyond in the AWA Register in respect of all Scheme Shares transferred to Beyond in accordance with the terms of this Scheme;
- (c) each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with the provisions of this Scheme; and
- (d) it will bind AWA and all Scheme Participants, including those who do not attend the Scheme Meeting to vote on this Scheme, those who do not vote at that meeting, and those who vote against this Scheme at that meeting.

2.4 Merger Implementation Agreement

AWA and Beyond have agreed by executing the Merger Implementation Agreement to implement the terms of this Scheme on the terms and conditions of that document.

2.5 Deed Poll

Beyond has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration.

3. Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all of the conditions precedent in clause 3.1 of the Merger Implementation Agreement (**MIA**) (other than the condition precedent in clause 3.1(f) of the MIA relating to Court approval of the Scheme) having been satisfied or waived in accordance with the terms of the MIA by the Cut-Off Time;
- (b) neither the MIA nor the Deed Poll having been terminated in accordance with their terms as at the Cut-Off Time;
- (c) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are agreed to in writing between AWA and Beyond;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing between AWA and Beyond having been satisfied;
- (e) the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable section 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date AWA and Beyond agree in writing).

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3 Certificate in relation to conditions precedent

- (a) AWA and Beyond must each provide to the Court on the Second Court Date (and to each other) a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived as at the Cut-Off Time.
- (b) The certificate referred to in clause 3.3(a) above will constitute conclusive evidence of whether the conditions precedent in clauses 3.1(a) and 3.1(b) above have been satisfied, waived or taken to have been waived.

4. Scheme

4.1 Effective Date

Subject to clause 4.2 this Scheme will come into effect pursuant to section 411(10) of the Corporations Act, on and from the Effective Date.

4.2 End Date

Without limiting any rights under the Merger Implementation Agreement, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Merger Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless AWA and Beyond otherwise agree in writing.

5. Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

Following approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, AWA must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the Court approves this Scheme.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to:

- (a) the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.2 of this Scheme; and
- (b) Beyond having provided AWA with written confirmation by no later than 12.00pm (or such later time as AWA and Beyond agree in writing) on the Implementation Date that the Scheme Consideration (other than Cash Consideration) has been provided in the manner contemplated by clause 6.1:

the Scheme Shares, together with all rights attaching to them as at the Implementation Date, will be transferred to Beyond without the need for any further act by any Scheme Participant (other than acts performed by AWA or its officers as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:

- (c) AWA delivering to Beyond a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants; and
- (d) Beyond duly executing the Share Scheme Transfer, attending to the stamping of the Share Scheme Transfer (if required) and delivering it to AWA for registration; and

as soon as practicable after receipt of the duly executed Share Scheme Transfer, but subject to the stamping of the Share Scheme Transfer (if required), AWA must enter, or procure the entry of, the name of Beyond in the AWA Register in respect of all Scheme Shares transferred to Beyond in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Beyond of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme and the Deed Poll.

5.4 Title and rights in AWA Member Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, Beyond will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by AWA of Beyond in the AWA Register as the holder of the Scheme Shares.

5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant:

- (a) agrees to the transfer of their Scheme Shares, together with all rights attaching to them, in accordance with the terms of this Scheme; and
- (b) shall be deemed to have applied, for the purposes of rule 3.1 of the Beyond Constitution, for each Beyond Member Share to be issued to it as Scheme Consideration.

5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to Beyond and is deemed to have authorised AWA to warrant to Beyond as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all of their Scheme Shares (including all rights attaching to them) transferred to Beyond under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances, or any other third-party interest, or restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including all rights attaching to them) to Beyond under the Scheme,

and AWA undertakes that it will provide such warranty to Beyond as agent and attorney of each Scheme Participant.

5.7 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including all rights attaching to them) which are transferred to Beyond under this Scheme will, at the date of the transfer of them to Beyond, vest in Beyond free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.8 Appointment of Beyond as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.1 of this Scheme, on and from the Implementation Date until AWA registers Beyond as the holder of all of the Scheme Shares in the AWA Register, each Scheme Participant:

- (a) irrevocably appoints AWA as attorney and agent (and directs AWA in such capacity) to appoint Beyond and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable, corporate representative to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Beyond reasonably directs.

AWA undertakes in favour of each Scheme Participant that it will appoint Beyond and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8 of this Scheme.

6. Scheme Consideration

6.1 Provision of Scheme Consideration other than Cash Consideration

Beyond must:

- (a) before 12.00pm (or such later time as AWA and Beyond may agree in writing) on the Implementation Date (and in accordance with this Scheme and the Deed Poll):
 - (i) in respect of each Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), issue one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - (ii) in respect of each Scheme Share that is held by a Joint Member, where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date:
 - (A) issue one Beyond Member Share to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00 each, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment; and
 - (B) issue one Beyond Member Share to the each other Secondary Member, taken to have been issued (and fully paid up) with a nil

subscription price, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;

- (iii) in respect of each Scheme Share that is held by a Duplicate Member, where that Duplicate Member is a Joint Member, and where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - (iv) and procure that the name and address of each Scheme Participant entitled to receive a new Beyond Member Share as Scheme Consideration is entered in the Beyond Register as the holder of the applicable new Beyond Member Shares with the same holding name and address and other details as the holding of the Scheme Share being transferred;
- (b) no later than two Business Days after the Implementation Date, send or procure the dispatch to the registered address of each Scheme Participant, a holding statement (or equivalent document) representing the new Beyond Member Shares issued to that Scheme Participant;
- (c) ensure that the new Beyond Member Shares issued, at the time they are issued:
- (i) have the rights set out in the Beyond Constitution;
 - (ii) rank equally in all respects among themselves and with all other Beyond Member Shares on issue;
 - (iii) are fully paid (to the amounts specified in the applicable Scheme Consideration), duly and validly issued in accordance with all applicable laws and free from any Encumbrance; and
- (d) ensure that, for membership tenure purposes, the Beyond Tenure Adjustment is recognised in the Beyond Register such that each Scheme Participant (other than a Duplicate Member) shall be recognised to have become a Beyond Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).

6.2 Payment of Cash Consideration

- (a) The obligation of Beyond to pay or procure payment of the Cash Consideration pursuant to clause 5.3 of this Scheme is satisfied by Beyond, no later than 3 Business Days before the Implementation Date, depositing (or procuring the deposit of) in Immediately Available Funds the aggregate amount of the Cash Consideration payable to all Scheme Participants that are Duplicate Members into the Trust Account, such amount to be held by AWA on trust for those

Duplicate Members for the purposes of paying the Cash Consideration to them in accordance with clause 6.2(c) of this Scheme.

- (b) The amount of any interest (less any bank fees and other charges) on the amount deposited in the Trust Account will be to Beyond's account (**Accrued Interest**).
- (c) On the Implementation Date, subject to receipt of the Cash Consideration from Beyond in accordance with clause 6.2(a) of this Scheme, AWA must pay (or procure the payment) from the Trust Account, an amount equal to the Cash Consideration to each holder of a Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - (i) is not a Joint Member; or
 - is a Joint Member where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date.
- (d) Unless otherwise directed by a Scheme Participant before the Scheme Record Date, the amounts referred to in clause 6.2(c) of this Scheme must be paid by direct credit to the AWA Member Account or by sending a cheque drawn on an Australian bank in Australian currency on the Implementation Date to the Scheme Participant by pre-paid regular post to their address shown in the AWA Register as at 7.00 pm on the Scheme Record Date (or in the case of joint holders, in accordance with clause 6.6).
- (e) If:
 - (i) a Scheme Participant does not have an AWA Member Account or an address recorded in the AWA Register, or AWA as trustee for the Scheme Participants believes that a Scheme Participant is not known at the Scheme Participant's registered address; or
 - (ii) a cheque for the purposes of clause 6.2(d) has been cancelled in accordance with clause 6.3(a),

AWA as the trustee for the Scheme Participants may credit the amount payable to the relevant Scheme Participant to a separate bank account of AWA (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. If the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. Until such time as the amount is dealt with in accordance with the Unclaimed Money Act, AWA must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of Beyond. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Participant when credited to the Separate Account or Trust Account (as applicable). AWA must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (f) To the extent that there is a surplus in the amount held by AWA as the trustee for the Scheme Participants in the Trust Account, that surplus may be paid by AWA as the trustee for the Scheme Participants to Beyond following the satisfaction of AWA's obligations as the trustee for the Scheme Participants under this clause 6.2.
- (g) AWA must pay any Accrued Interest to any account nominated by Beyond following satisfaction of AWA's obligations under this clause 6.2.

6.3 Unclaimed monies

- (a) AWA may cancel a cheque issued under clause 6.2 of this Scheme if the cheque:
 - (i) is returned to AWA; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to AWA, AWA must reissue a cheque that was previously cancelled under clause 6.3(a).
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the Unclaimed Money Act).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Beyond.

6.4 Orders of a court or Regulatory Authority

In the case of notice having been given to AWA of an order or direction made by or requirement of a court of competent jurisdiction or by another Regulatory Authority:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to, or required to be issued to, that Scheme Participant in accordance with this clause 6 of this Scheme, then AWA must procure that payment is made in accordance with that order or direction; or
- (b) which would prevent AWA from dispatching payment to any particular Scheme Participant in accordance with clause 6.2 of this Scheme, or such payment is otherwise prohibited by applicable law, AWA must retain an amount, in Australian dollars, equal to the Cash Consideration due to the relevant Scheme Participant until such time as payment in accordance with clause 6.2 of this Scheme is permitted by that order or direction or otherwise by law,

and the payment or retention by AWA (or its registry) will constitute the full discharge of AWA's obligations under clause 6.2(c) with respect to the amount so paid or retained until, in the case of clause 6.4(b), it is no longer required to be retained.

6.5 Withholding

- (a) If AWA determines, having regard to legal advice, that Beyond is either:
- (i) required by law to withhold any amount from a payment to a Scheme Participant; or
 - (ii) liable to pay an amount to the Commissioner of Taxation under section 14-200 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* (amounts required to be paid for CGT non-resident withholding) in respect of the acquisition of Scheme Shares from a Scheme Participant,

then Beyond is entitled to withhold the relevant amount before making the payment to the Scheme Participant (and payment of the reduced amount is to be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 6.2).

- (b) Beyond must pay any amount so withheld to the relevant taxation authority within the time permitted by law, and, if requested in writing by the relevant Scheme Participant, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment to the relevant Scheme Participant.

6.6 Joint Holders

- (a) Any Cash Consideration payable to a Joint Member is payable to and must be forwarded to the holder whose name appears first in the AWA Register as at 7.00 pm on the Scheme Record Date.
- (b) Any document required to be sent under this Scheme will be forwarded, at the sole discretion of AWA, either to the holder whose name first appears in the AWA Register as at the Scheme Record Date or to the joint holders.

7. Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the AWA Register will only be recognised by AWA if registrable transmission applications or transfers in registrable form in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Scheme Record Date at the place where the AWA Register is kept.

7.2 AWA Register

AWA must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1 of this Scheme on or before 5.00pm on the Scheme Record Date.

7.3 No disposals after Effective Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5:00pm on the Scheme Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) AWA will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 5.00pm on the Scheme Record Date (except a transfer to Beyond pursuant to this Scheme and any subsequent transfer by Beyond or its successors in title).

7.4 Maintenance of AWA Register

For the purpose of determining entitlements to the Scheme Consideration, AWA will maintain the AWA Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been provided to the Scheme Participants and Beyond has been entered in the AWA Register as the holder of all the Scheme Shares. The AWA Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Beyond contemplated in this Scheme, any statements of holding or share certificates in respect of Scheme Shares will cease to have effect after 5.00pm on the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of Beyond and its successors in title). After 5.00pm on the Scheme Record Date, each entry current on the AWA Register as at 5.00pm on the Scheme Record Date (other than entries in respect of Beyond or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6 Details of Scheme Participants

Within 1 Business Day after the Scheme Record Date, AWA will ensure that details of the names, registered addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the AWA Register at 5.00pm on the Scheme Record Date are available to Beyond in such form as Beyond reasonably requires.

8. Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints AWA and each of its directors, officers and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme including the Share Scheme Transfer; and
- (b) on the Effective Date, enforcing the Deed Poll against Beyond,

and AWA accepts such appointment. AWA, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8 to all or any of its directors or officers (jointly, severally or jointly and severally).

9. Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to AWA, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at AWA's registered office or at the office of the registrar of AWA Member Shares.

9.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any AWA Member will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10. General

10.1 Variations, alterations and conditions

AWA may, with the consent of Beyond, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

Each Scheme Participant agrees to any such variations, alterations or conditions which AWA has consented to.

10.2 Further action by AWA

AWA will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

10.3 Authority and acknowledgement

Each of the Scheme Participants:

- (a) irrevocably consents to AWA and Beyond doing all things necessary or expedient for or incidental to the implementation of this Scheme, whether on behalf of the Scheme Participants, AWA or otherwise;
- (b) agrees to the variation, cancellation or modification of the rights attached to their AWA Member Shares constituted by or resulting from this Scheme; and
- (c) acknowledges that this Scheme binds AWA and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that

meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of AWA.

10.4 **No liability when acting in good faith**

Neither AWA nor Beyond, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.5 **Enforcement of Deed Poll**

AWA undertakes in favour of each Scheme Participant to enforce the Deed Poll against Beyond on behalf of and as agent and attorney for the Scheme Participants.

10.6 **Stamp duty**

Beyond will:

- (a) pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme or the transactions effected by or made under the Scheme; and
- (b) indemnify each Scheme Participant against any liability arising from failure to comply with clause 10.6(a),

subject to and in accordance with clause 7 of the Deed Poll.

11. **Governing law**

11.1 **Governing law and jurisdiction**

The law in force in the place specified in the Party Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

11.2 **Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Party Details, provided that a copy of the document (or details of it) must also be sent by email to the email address set out in the Party Details.

Annexure E - Notice of Scheme Meeting

Notice of Scheme Meeting

AWA Mutual Limited ACN 087 651 652

Notice is hereby given, by order of the Supreme Court of Victoria made on 1 December 2023, pursuant to section 411(1) of the Corporations Act, a Scheme Meeting of AWA Mutual Limited (AWA) Shareholders will be held:

Date: Monday, 29 January 2024

Time: 6.00pm, AEDT

Venue: The 'Wurdi Youang Room', 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St Geelong Vic 3220 and using the online platform provided by Link Market Services Limited (**Link** or **AWA Registry**) at <https://meetings.linkgroup.com/AWAscheme>.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider, and if thought fit, to agree (with or without amendment or any alterations or conditions required by the Court to which AWA and Beyond Bank Australia Limited (**Beyond**) agree) to the Scheme described in the Scheme Booklet of which this notice forms part.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice.

Scheme Resolution

To consider and, if thought fit, to pass (with or without amendment) the following resolution:

“That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the members approve the arrangement proposed between AWA Mutual Limited and the holders of its “AWA Member Shares”, designated the ‘Scheme’, as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting (with or without any modifications or conditions ordered by the Court to which AWA and Beyond agree) and, subject to approval of the Scheme by the Court, the Board of AWA Mutual Limited is authorised to implement the Scheme with any such modifications or conditions.”

Dated 15 December 2023

By order of the Court and the AWA Board.



Gavin Heathcote
Company Secretary

Explanatory notes

1. General

These explanatory notes relate to the Scheme and should be read in conjunction with the Notice of Scheme Meeting and the information in the Scheme Booklet dated 15 December 2023 of which that notice and these notes form part. Unless the context requires otherwise, terms used in the Notice of Scheme Meeting and in these notes have the same meaning as set out in Section 14 ("Glossary") of the Scheme Booklet.

2. Chairman

The Court has directed that Peter Richardson is to act as the Chairman of the Scheme Meeting (with Neville Pearce as Deputy Chair) and has directed the Chairman to report the results of the Scheme Meeting to the Court.

3. Shareholder approval

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of eligible AWA Shareholders present and voting at the Scheme Meeting (either in person, online or by proxy, attorney or body corporate representative);¹ and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by eligible AWA Shareholders (either in person, online or by proxy, attorney or body corporate representative),

(together, the "**Requisite Majorities**")

4. Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alterations or conditions required by the Court) is subject to the approval of the Court. If the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme (other than approval of the Court) are satisfied or waived (if capable of waiver) by the time required under the Scheme, AWA intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

5. Entitlement to vote

The time for the purposes of determining voting entitlements pursuant to regulation 7.11.37 of the Corporations Regulations will be 7.00pm AEDT on Saturday, 27 January 2024. Only those AWA Shareholders entered on the AWA Register at that time will be entitled to attend and vote at the Scheme Meeting, either in person, online, by proxy or attorney, or in the case of a corporate AWA Shareholder, by a body corporate representative. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Scheme Meeting.

¹ The Court has the power to waive this approval requirement.

The remaining comments in these explanatory notes are addressed to AWA Shareholders entitled to attend and vote at the Scheme Meeting.

6. Voting at the Scheme Meeting

If you are an AWA Shareholder entitled to vote at the Scheme Meeting, you may vote by:

- attending and voting in person;
- attending and voting via AWA's online meeting platform at <https://meetings.linkgroup.com/AWAscheme>;
- by proxy, by completing and submitting the proxy form in accordance with the instructions on that form. To be valid, your proxy form must be received by the AWA Registry, Link by 6.00pm (AEDT) on Saturday, 27 January 2024;
- by attorney, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the AWA Registry, Link by 6.00pm (AEDT) on Saturday, 27 January 2024;
- by body corporate representative, in the case of a body corporate, appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using duly executed 'Appointment of Corporate Representative form' (in accordance with section 250D of the Corporations Act) prior to the Scheme Meeting in accordance with section 8.5 below.

Voting will be conducted by poll.

7. Attendance

7.1. In person attendance

All AWA Shareholders or their validly appointed proxies, attorneys or representatives who plan to attend the Scheme Meeting in person are asked to arrive at the venue at least 30 minutes before the scheduled time for commencement of the Scheme Meeting, so that either their shareholding can be checked against the AWA Register, or any power of attorney or certificate of appointment of body corporate representative verified, and their attendance noted.

7.2. Online attendance

AWA Shareholders or their validly appointed proxies, attorneys and corporate representatives can attend and vote at the Scheme Meeting via AWA's online meeting platform at <https://meetings.linkgroup.com/AWAscheme>.

The online platform may be accessed via a computer or mobile or tablet device with internet access. The online platform will allow AWA Shareholders and their authorised proxies, attorneys and corporate representatives to watch the Scheme Meeting live, cast an online vote and ask questions online.

To attend and vote online, AWA Shareholders will need their AWA Member Number and their postcode or country of residence (if outside Australia). Proxyholders will be emailed their proxy code by the AWA Registry 24 hours before the commencement of the meeting.

Participants will be able to log in to the online platform 30 minutes before the start of the Scheme Meeting. It is recommended that participants log in at least 15 minutes before the

scheduled start time for the Scheme Meeting. The Virtual Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Virtual Meeting Online Guide can be found in Annexure F of the Scheme Booklet.

Please monitor AWA's website where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

8. Voting

8.1. Voting in person

To vote in person, you must attend the Scheme Meeting. Eligible AWA Shareholders who wish to attend and vote at the Scheme Meeting in person will be admitted and given a voting card at the point of entry to the Scheme Meeting once they have disclosed their name and address.

8.2. Voting online

To vote online, you must attend the Scheme Meeting via the online platform at <https://meetings.linkgroup.com/AWAScheme>. Online voting will be open 30 minutes before the start of the Scheme Meeting and the closing of voting as announced by the Chairman during the Scheme Meeting.

More information about how to use the online platform (including how to vote and submit questions online during the Scheme Meeting) is available in the Virtual Meeting Online Guide, which can be found in Annexure F of the Scheme Booklet.

If you intend to use the online platform, then before the Scheme Meeting we recommend that you ensure the online platform works on your device.

It is recommended that AWA Shareholders who attend and vote at the Scheme Meeting via AWA's online meeting platform should join at least 15 minutes prior to the scheduled start time for the Scheme Meeting.

8.3. Voting by proxy

If you are unable to attend and vote at the Scheme Meeting, you may appoint an individual or a body corporate as a proxy to attend the Scheme Meeting in person or online and vote.

An AWA Shareholder entitled to attend and vote at the Scheme Meeting² may appoint a person to attend and vote at the Scheme Meeting as their proxy at any time between the date of this Notice of Scheme Meeting and 6.00pm (AEDT) on Saturday, 27 January 2024. To do so, either they should mark the box under 'Appoint a Proxy' in Step 1 of the proxy form to appoint the Chairman of the Scheme Meeting as their proxy, or insert the name and email address of their chosen proxy in the space provided.

To appoint a proxy, you should complete and submit the proxy form in accordance with the instructions on that form. To be effective, proxy appointments must be received by the AWA Registry by no later than 6.00pm (AEDT) on Saturday, 27 January 2024 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

² For Joint Members only the AWA Members whose name first appears in the AWA Register is entitled to vote.

Post or hand delivery to:	<p>Post: AWA Mutual Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia</p> <p>Hand delivery: Link Market Services Limited Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150</p> <p>* During business hours (Monday to Friday, 9:00am–5:00pm)</p>
Fax to:	+ 61 02 9287 0309
Online voting and online submission of proxies:	https://investorcentre.linkgroup.com/voting/AWAU

Proxy forms received after 6.00pm (AEDT) on Saturday, 27 January 2024 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) will be invalid. If a proxy form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been noted by the AWA Registry.

The following applies to proxy appointments:

- a proxy need not be another AWA Shareholder, and may be an individual or a body corporate;
- if a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative (in accordance with section 250D of the Corporations Act) to exercise its powers as proxy at the Scheme Meeting in accordance with section 8.5 below;
- if you hold AWA Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of the joint holders must sign the proxy form; and
- each proxy will have the right to vote on the poll and also to ask questions at the Scheme Meeting.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the Scheme Meeting. If you have appointed a proxy and decide to attend and vote at the Scheme Meeting, the authority of your proxy to attend and vote on your behalf, is automatically suspended. However, if you view the live webcast of the Scheme Meeting as a 'visitor' or attend the Scheme Meeting in person as a 'visitor', you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless:

- notice in writing of the revocation has been received by the AWA Registry before the start of the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways described in the table above; or

- notice of revocation is given by the AWA Shareholder on registering their attendance at the Scheme Meeting at the registration desk located at the Scheme Meeting on Monday, 29 January 2024.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after they have considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as they think fit. If you instruct your proxy to abstain from voting on an item of business, they are directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the Chairman of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the Scheme Meeting, the Chairman of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The Chairman of the Scheme Meeting intends to vote all valid undirected proxies which nominate the Chairman in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Shareholders.

8.4. Voting by attorney

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf. Your attorney need not be another AWA Shareholder. Each attorney will have the right to vote on the poll and also to ask questions at the Scheme Meeting.

The power of attorney appointing your attorney to attend and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (that is, AWA), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be received by the AWA Registry by no later than 6.00pm (AEDT) on Saturday, 27 January 2024 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the ways specified for proxy forms in section 8.3 above.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing AWA Shareholder's name and postcode and the AWA Member Number of the shareholding in order to access the online platform. A validly appointed attorney wishing to attend and vote at the Scheme Meeting in person will need to register their attendance and identify themselves as an attorney on the day of the Scheme Meeting in person at the registration desk. Your appointment of an attorney does not preclude you from attending in person and voting at the Scheme Meeting.

8.5. Voting by corporate representative

A body corporate which is an AWA Shareholder, or which has been appointed as a proxy, must appoint an individual to act as its representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that AWA will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act.

The 'Certificate of Appointment of Corporate Representative' form may be downloaded from the AWA Registry or online at www.linkmarketservices.com.au.

The certificate of appointment may set out restrictions on the representative's powers. The certificate of appointment must be received by the AWA Registry by no later than 6.00pm (AEDT) on Saturday, 27 January 2024 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the ways specified for proxy forms in section 8.3 above in this Notice of Scheme Meeting.

If the body corporate representative is to attend the meeting virtually the appropriate certificate of appointment must be received at registrars@linkmarketservices.com.au by the times stipulated above.

If a certificate is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the AWA Registry.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing AWA Shareholder's name, the AWA Member Number linked to the shareholding, and postcode or country of residence (if outside Australia) in order to access the online platform. A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting in person must bring the 'Certificate of Appointment of Corporate Representative'.

9. Jointly held securities

If you hold AWA Member Shares jointly with one or more persons, only one of you may vote. If more than one of you attempts to vote at the Scheme Meeting, only the vote of the holder whose name appears first on the AWA Register will be counted. See also the comments in section 8.3 above regarding the appointment of a proxy by persons who jointly hold AWA Member Shares.

10. Questions

AWA Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting.

AWA Shareholders who prefer to register questions in advance of Scheme Meeting are also invited to do so by submitting questions at <https://investorcentre.linkgroup.com/voting/AWAU>.

To allow time to collate questions and prepare answers, please submit any questions by 10:00am (AEDT) on Wednesday, 24 January 2024.

At the Scheme Meeting, Shareholders can ask questions:

- online by clicking the "Ask Questions" box on the left hand side of the screen (refer to Virtual Meeting Online Guide). To ask a question you must register by entering your AWAMember

Number and postcode (within Australia) or country code (if your registered address is outside of Australia); or

- by telephone. AWA Shareholders will be given an opportunity to ask questions in real-time by telephone. To ask a question verbally by phone, AWA Shareholders can call 1800 798 110 (within Australia) or +61 2 7201 7093 (outside Australia) and use their unique personal identification number (PIN). AWA Shareholders may obtain a PIN by contacting Link on 1800 990 363 (within Australia) or +61 1800 990 363 (outside Australia) by 5.00pm (Melbourne time) on Thursday, 25 January 2024. Please note you will still need to log into the online platform if you wish to vote during the meeting.

AWA Shareholders are requested to restrict themselves to two questions or comments initially, and further questions will be considered if time permits. Questions and comments may be moderated to avoid repetition and to make them more concise.

The Chairman of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Please note that individual responses will not be sent to AWA Shareholders.

11. Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The Chairman has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of AWA Shareholders impacted and the extent to which participation in the business of the Scheme Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, if you have already decided how to cast your vote, AWA Shareholders are encouraged to lodge a proxy by 6.00pm (AEDT) on Saturday, 27 January 2024 even if they plan to attend in person or online.

12. Advertisements

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the Scheme Meeting from the AWA website (<https://www.awaalliancebank.com.au/future>) or by contacting the Company Secretary of AWA or the AWA Registry.


Proxy Form

LODGE YOUR VOTE

 **ONLINE**
<https://investorcentre.linkgroup.com/voting/AWAU>

 **BY MAIL**
AWA Mutual Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a shareholder(s) of AWA Mutual Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting,

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **6:00pm (AEDT) on Monday, 29 January 2024 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **Wurdi Youang Room, 5th floor, Geelong Library and Heritage Centre, 51 Little Malop St, Geelong VIC 3220** or logging in online at <https://meetings.linkgroup.com/AWAScheme> (refer to details in the Virtual Scheme Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolution

For Against Abstain*

- 1 That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth), the shareholders approve the arrangement proposed between AWA Mutual Limited and the holders of its "AWA Shareholder Shares", designated the 'Scheme', as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting (with or without any modifications or conditions ordered by the Court to which AWA and Beyond agree) and, subject to approval of the Scheme by the Court, the Board of AWA Mutual Limited is authorised to implement the Scheme with any such modifications or conditions.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF MEMBERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the item of business. Your share will be voted in accordance with such direction. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **6:00pm (AEDT) on Saturday, 27 January 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com/voting/AWAU>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, members will need their "AWA Member Number".



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com/voting/AWAU> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

AWA Mutual Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

* During business hours (Monday to Friday, 9:00am–5:00pm)

Annexure F - Online Meeting Guide

Scheme and General Meetings Online Guide

Before you begin

Ensure your browser is compatible. Check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

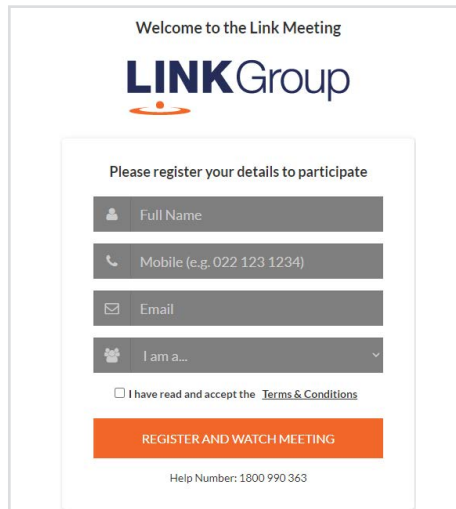
- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer – 11 and up
- Microsoft Edge – 92.0 and after

To attend and vote you must have your AWA Member Number and postcode.

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

Please make sure you have this information before proceeding.

Scheme and General Meetings Online Guide



Step 1.

Open your web browser and go to <https://meetings.linkgroup.com/AWAScheme> for the Scheme Meeting or <https://meetings.linkgroup.com/AWAGeneral> for the General Meeting

Step 2.

Log in to the portal using your full name, mobile number, email address, and participant type.

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

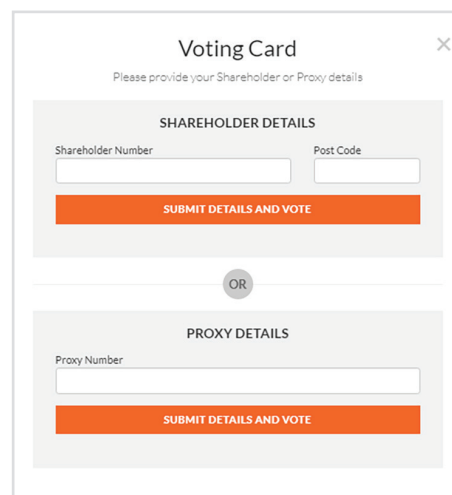
- On the left – a live webcast of the Scheme and General Meetings starts automatically once the meeting has commenced. If the webcast does not start automatically please press the play button and ensure the audio on your computer or device is turned on.
- On the right – the presentation slides that will be addressed during the Scheme and General Meetings
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download.

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.



If you are an individual or joint shareholder you will need to register and provide validation by entering your AWA Member number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with the resolution to be voted on by Shareholders at the Scheme and General Meetings (as set out in the Notice of Scheme and General Meetings). You may need to use the scroll bar on the right hand side of the voting card to view all of the resolution.

Shareholder and proxies can either submit a Full Vote or Partial Vote.

Scheme and General Meetings Online Guide

continued

LINK Group

HELP NUMBER
1800 990 363

Ask a Question

Get a Voting Card

Exit Meeting

Link Group Meeting

LINK Group

Get a Voting Card

Ask a Question

Downloads

- Speakers Bio's
- Sustainability Report
- Notice of meeting
- Online Guide
- Annual Report

JOHN SAMPLE *****0014

Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for the resolution. If you would like to complete a partial vote, please specify the number of votes for the resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the shareholder's voting instructions.

Full Vote Partial Vote

Resolution 1 For Against Abstain

GENERAL BUSINESS

SUBMIT VOTE

Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

At the conclusion of the Scheme and General Meetings a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

Once voting has been closed all submitted voting cards cannot be changed.

Scheme and General Meetings Online Guide

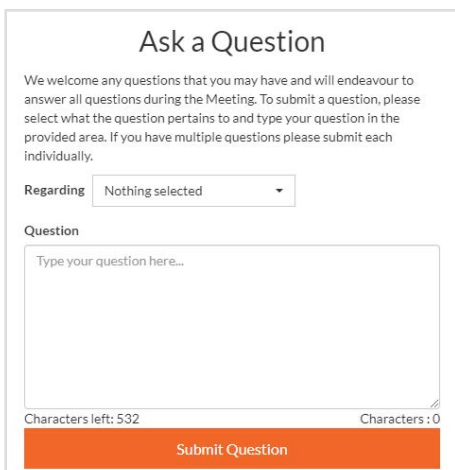
continued

2. How to ask a question

Note: Only verified Shareholder, Proxyholders and Company Representatives are eligible to ask questions.

If you have yet to obtain a voting card, you will be prompted to enter your Shareholder number or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The 'Ask a Question' box will then pop up with two sections for completion.



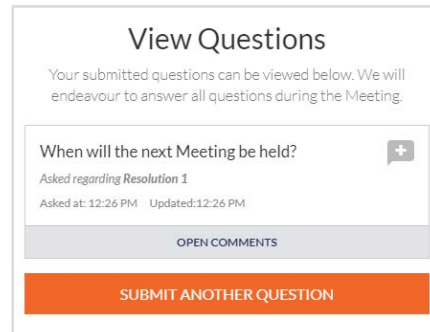
In the 'Regarding' section click on the drop down arrow and select the category/resolution for your question.

Click in the 'Question' section and type your question and click on 'Submit'.

A 'View Questions' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Scheme and General Meetings, but we will do our best to address your concerns.



3. Downloads

View relevant documentation in the Downloads section.

4. Voting closing

Voting will end 5 minutes after the close of the Scheme and General Meetings.

At the conclusion of the Scheme and General Meetings a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

Scheme and General Meetings Online Guide

continued

5. Phone Participation

What you will need

- a) Land line or mobile phone
- b) The name and Shareholder number of your holding/s
- c) To obtain your unique PIN, please contact Link Market Services on +61 1800 990 363

Joining the Meeting via Phone

Step 1

From your land line or mobile device,
Conference Call Number: 1800 798 110
International Number: +61 2 7201 7093

Step 2

You will be greeted with a welcome message and provided with instructions on how to participate in the Scheme and General Meetings. Please listen to the instructions carefully.

At the end of the welcome message you will be asked to provide your PIN by the moderator. This will verify you as a shareholder and allow you to ask a question on the resolution at the Scheme and General Meetings.

Step 3

Once the moderator has verified your details you will be placed into a waiting room where you will hear music playing.

Note: If your holding cannot be verified by the moderator, you will attend the Scheme and General Meetings as a visitor and will not be able to ask a question.

Step 4

At the commencement of the Scheme and General Meetings, you will be admitted to the Scheme and General Meetings where you will be able to listen to proceedings.

Asking a Question

Step 1

When the Chairman calls for questions or comments on the item of business, **press *1** on your keypad. If at any time you no longer wish to ask a question or make a comment, you can lower your hand by **pressing *2** on your keypad.

Step 2

When it is time to ask your question or make your comment, the moderator will introduce you to the Scheme and General Meetings. Your line will be unmuted and you will be prompted to speak. If you have also joined the Scheme and General Meetings online, please mute your laptop, desktop, tablet or mobile device before you speak to avoid technical difficulties for you and other shareholders.

Step 3

Your line will be muted once your question or comment has been asked / responded to.

Contact us

Australia

T +61 1800 990 363

E info@linkmarketservices.com.au

Annexure G - Merger Implementation Agreement

Deed of Amendment and Restatement

Merger Implementation Agreement

AWA Mutual Limited

Ref GH:OC:1157651

Doc ID 1139556503/v1

Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 Australia
GPO Box 5408, Sydney NSW 2001 Australia

Telephone +61 2 9334 8555

Facsimile 1300 369 656 (Australia) +61 2 9334 8555 (International)
hwlebsworth.com.au

Details

Date 9 December 2023

Party Details	Beyond	Beyond Bank Australia Limited ACN 087 651 143 Address: Level 12, 100 Waymouth Street, Adelaide SA 5000 Contact name: Robert Keogh Email: rkeogh@beyondbank.com.au
	AWA	AWA Mutual Limited ACN 087 651 652 Address: 49-51 Malop Street, Geelong VIC 3220 Contact name: Gavin Heathcote Email: gavin@awaab.com.au

Governing law	New South Wales, Australia
---------------	----------------------------

Recitals	<p>A. On 12 September 2023, AWA and Beyond entered into the Merger Implementation Agreement to record the terms of the proposed acquisition by Beyond of all of the shares in AWA by means of a scheme of arrangement under Part 5.1 of the Corporations Act.</p> <p>B. Pursuant to clause 17.1 of the Merger Implementation Agreement, the parties wish to amend and restate the Merger Implementation Agreement on and from the date of this document in the manner set out in this document.</p>
----------	---

Agreed Terms

1. Definitions and interpretation clauses

1.1 Definitions

In this document, unless the context requires otherwise, words defined in the Merger Implementation Agreement have the same meaning and the following terms have the following meanings:

Amended and Restated Merger Implementation Agreement The amended and restated merger implementation agreement in relation to AWA in the form attached as **Schedule 1**.

Effective Time Has the meaning given in clause 2(b).

Merger Implementation Agreement The Merger Implementation Agreement between AWA and Beyond dated 12 September 2023.

All other words and phrases used in this document have the same meaning as given to them in the Scheme. These are also defined in the Scheme.

1.2 Interpretation

- (a) The rules of construction and interpretation in the Merger Implementation Agreement apply to this document.
- (b) Headings do not affect the interpretation of this document.

2. Amendment and Restatement

- (a) Pursuant to clause 17.1 of the Merger Implementation Agreement, on and from the Effective Time, the Merger Implementation Agreement is amended to, and restated in, the form attached as Schedule 1.
- (b) AWA and Beyond will be bound by the Amended and Restated Merger Implementation Agreement on and from the date of this document (**Effective Time**).
- (c) Clause 2(a) and clause 2(b) do not affect any right or obligation of a party that arises before the Effective Time.

3. Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in New South Wales, Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

4. Warranties

Each party warrants to each other party to this document that:

- (a) it has full power and authority to enter into this document and has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms;
- (b) this document constitutes a legally valid and binding obligation of it enforceable in accordance with its terms; and
- (c) the execution, delivery and performance of this document by it:

- (i) will not contravene:
 - (A) any law to which it or any of its property is subject or any order or directive from a government body binding on it or any of its property; or
 - (B) its constituent documents, any agreement or instrument to which it is a party or any obligation under law or to any other person; and
 - (C) there are no actions, claims, proceedings or investigations pending or to the best of its knowledge threatened against it or by it that may have a material adverse effect on its ability to perform its obligations under this document.

5. General

5.1 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

5.2 Counterparts and electronic execution

- (a) This document may be executed in counterparts, which taken together constitute one and the same document, and any party (including any authorised representative of a party) may enter into this document by executing a counterpart.
- (b) This document takes effect when the separately executed documents are exchanged between the parties.
- (c) Without limiting the foregoing, if any of the signatures on behalf of one party are on different counterparts or copies of this document, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this document.
- (d) A party who has executed a counterpart of this document may exchange it with another party by emailing a pdf (portable document format) copy of the executed counterpart to that other party at the address set out in the Merger Implementation Agreement.
- (e) A party may electronically sign an electronic copy of this document (via DocuSign or similar applications or by affixing an electronic copy of any relevant signature) and bind itself accordingly. This will satisfy all other requirements for this document to be in writing and signed by that party. The parties intend that any electronic copy so signed will constitute an executed original counterpart, and any print-out of the copy with the relevant signatures appearing will also constitute an executed counterpart.

5.3 **Costs**

Each party must pay its own costs (including legal costs) and expenses in connection with the negotiation, preparation and delivery of this document.

5.4 **Entire understanding**

- (a) This document contains the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document, including the Merger Implementation Agreement are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

5.5 **Deed**

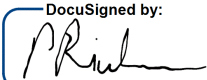
This document is a deed. Factors which might suggest otherwise are to be disregarded.

Signing page

Executed as a deed

DATED: 9 December 2023

Executed by AWA Mutual Limited 087 651 652 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

DocuSigned by:

924238F2160A468...
Signature of Director

Peter Richardson

Full name (print)

9/12/2023

Date

DocuSigned by:

B36E2CA044A64C7...
Signature of Director/Company Secretary

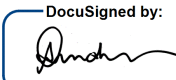
Gavin Heathcote

Full name (print)

9/12/2023

Date

Executed by Beyond Bank Australia Limited 087 651 143 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

DocuSigned by:

1CB038D17B04419...
Signature of Director

Sandra Andersen

Full name (print)

9/12/2023

Date

Signature of Director/Company Secretary

Full name (print)

Date

Signing page

Executed as a deed

DATED: 9 December 2023

Executed by AWA Mutual Limited 087 651 652 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)


Full name (print)

Date

Date

Executed by Beyond Bank Australia Limited 087 651 143 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of Director

DocuSigned by:


784E59AD6BA04C9...
Signature of Director/Company Secretary

Full name (print)

Michelle Nave

Full name (print)

Date

09 December 2023 | 21:05 AEDT

Date

Schedule 1 Amended and Restated Merger Implementation Agreement

Commences over page

Merger Implementation Agreement

Beyond Bank Australia Limited

and

AWA Mutual Limited

Ref: GWH:OC: 1157651

Doc ID 1139556173/v1

Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 Australia
GPO Box 5408, Sydney NSW 2001 Australia

Telephone +61 2 9334 8555

Facsimile 1300 369 656 (Australia) +61 2 9334 8555 (International)
hwlebsworth.com.au

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Merger Implementation Agreement

Date

Party Details	Beyond	Beyond Bank Australia Limited ACN 087 651 143
		Address: Level 12, 100 Waymouth Street, Adelaide SA 5000
		Contact name: Robert Keogh
		Email: rkeogh@beyondbank.com.au
	AWA	AWA Mutual Limited ACN 087 651 652
		Address: 49-51 Malop Street, Geelong VIC 3220
		Contact name: Gavin Heathcote
		Email: gavin@awaab.com.au

- Recitals
- A. AWA is an unlisted public company which operates as part of a member-owned alliance of social enterprise banks under an Alliance Agreement with Bendigo and Adelaide Bank Limited (amongst others). It is presently an authorised agent of Bendigo and in that capacity, a provider of financial services. Bendigo is also the holder of certain End Transfer Products in respect of AWA's business, pursuant to the terms of the Alliance Agreement.
- B. Beyond is an unlisted public company and an authorised deposit-taking institution.
- C. Both AWA and Beyond are mutual organisations.
- D. The parties propose to proceed with the Scheme by which Beyond will acquire all of the AWA Member Shares by means of a members' scheme of arrangement under Part 5.1 of the Corporations Act, on the terms and conditions of this document.
- E. At the request of Beyond, AWA intends to propose the Scheme and issue the Scheme Booklet on the terms and conditions of this document.
- F. Under the terms of the Alliance Agreement, an Alliance party has the right to transfer End Transfer Products to another ADI in certain circumstances.
- G. In conjunction with the Scheme, AWA proposes to facilitate the transfer of its End Transfer Products to Beyond by way of a partial voluntary transfer of assets by Bendigo to Beyond in

accordance with the *Financial Sector (Transfer and Restructure) Act 1999* (Cth) (**Statutory Transfer**).

- H. AWA and Beyond have agreed to undertake certain steps to enable the Scheme and the Statutory Transfer to be proposed, approved and implemented subject to, and on the terms and conditions of, this document, including by seeking approval of the Scheme by AWA Members at the Scheme Meeting.

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

1. Definitions and interpretation clauses

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ACCC means the Australian Competition and Consumer Commission.

Adviser means (in relation to an entity) a financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides professional advisory services to the market in general and who has been engaged by that entity in connection with the Scheme.

Agreed Form means a document that has been agreed by AWA and Beyond on or before the date of this document and:

- (a) initialled by or on behalf of AWA and Beyond; or
- (b) acknowledged via email by AWA and Beyond to be the Agreed Form document for the purposes of this document,

in each case for the purposes of identification.

Alliance Agreement means the document with that name between Bendigo, AWA (then named AWA Credit Union Limited), BDCU Limited (then named Berrima District Credit Union Limited), Circle Mutual Limited (then named Circle Credit Co-operative Limited) and Service One Mutual Limited (then named Service One Credit Union Limited) which commenced on 1 March 2015.

Alliance party means each party to the Alliance Agreement, other than Bendigo.

APRA means the Australian Prudential Regulation Authority.

ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act, as if sub-section 12(1) of the Corporations Act included a reference to this document.
ATO	means the Australian Taxation Office.
ATO Comfort Letter	means a letter issued by the ATO in respect of the taxation treatment of the Statutory Transfer to the effect that the ATO will administer the income tax laws in a way that should result in no adverse income tax implications for AWA or Beyond (post the Scheme), subject to the applicable laws not being amended in a way that impacts the income tax outcomes set out in that letter.
Authorised Officer	means a director or secretary of a party, or any other person nominated in writing by a party to act as an Authorised Officer for the purposes of this document.
AWA Board	means the board of directors of AWA, and AWA Director means any of those directors.
AWA Constitution	means the constitution of AWA.
AWA Indemnified parties	means AWA and its Representatives.
AWA Information	means all information contained in the Scheme Booklet other than the Beyond Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions) and any other report, opinion or letter issued to AWA by a Third Party.
AWA Member	means each person registered in the Register as a holder of an AWA Member Share.
AWA Member Share	means a fully paid redeemable preference share in the capital of AWA.
AWA Prescribed Event	means any of the events set out in clause 1 of Schedule 3, other than to the extent it arises from any of the events or circumstances listed in clause 2 of Schedule 3.
AWA Representations and Warranties	means the representations and warranties made by AWA under this document including in 10.2.
Banking Act	means the <i>Banking Act 1959</i> (Cth).
Bendigo	means Bendigo and Adelaide Bank Limited ACN 068 049 178.

Beyond Board	means the board of directors of Beyond, and Beyond Director means any of those directors.
Beyond Constitution	means the constitution of Beyond.
Beyond Group	means Beyond and its Subsidiaries.
Beyond Indemnified parties	means Beyond and its Representatives.
Beyond Information	means the information provided by Beyond to AWA for inclusion in the Scheme Booklet regarding Beyond as is required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations or ASIC Regulatory Guide 60. Beyond Information does not include any information about AWA (except to the extent it relates to any statement of Beyond's intentions relating to AWA following the Effective Date).
Beyond Member	means a person who holds a Beyond Member Share from time to time.
Beyond Member Share	means a fully paid redeemable preference share in the capital of Beyond.
Beyond Prescribed Event	means any of the events set out in clause 3 of Schedule 3, other than to the extent it arises from any of the events or circumstances listed in clause 4 of Schedule 3.
Beyond Representations and Warranties	means the representations and warranties made by Beyond under this document including in clause 10.4.
Beyond Tenure Adjustment	means, for Beyond Member tenure purposes, the adjustment of the membership tenure in Beyond of: <ul style="list-style-type: none"> (a) a Duplicate Member, such that it will be deemed to have become a Beyond Member on the first to occur of: <ul style="list-style-type: none"> (i) the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date); (ii) the date that it first became a Beyond Member (provided that Beyond membership has been continuously held between that date and the Implementation Date); (b) each other Scheme Participant, such that it will be deemed to have become a Beyond Member on the date that it first became an AWA Member (provided that

AWA membership has been continuously held between that date and the Implementation Date).

Business Day	means any day for which banks are open for business in both Melbourne, Victoria and Adelaide, South Australia (not being a Saturday, Sunday or public holiday in either of those places).
Cash Consideration	means the sum of \$10.00 per Scheme Share transferred by a Duplicate Member pursuant to the Scheme.
Claim	<p>any claim, demand, legal proceedings or cause of action, whether:</p> <ul style="list-style-type: none"> (a) based in contract, including breach of warranty; (b) based in tort, including misrepresentation or negligence; (c) under common law or equity; or (d) under statute, <p>against a party, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this agreement.</p>
Competing Transaction	<p>means a proposal, agreement, transaction or arrangement which, if completed, would mean a person (other than Beyond or a Related Body Corporate of Beyond) whether alone or together with its Associates would:</p> <ul style="list-style-type: none"> (a) directly or indirectly acquire, or obtain a right to acquire, an interest or Relevant Interest in or become the holder of more than 50% of the total number of AWA Member Shares (other than as custodian, nominee or bare trustee) or more than 50% of the shares of AWA (other than as a result of the person's Relevant Interest in AWA Member Shares); (b) acquire Control of AWA; (c) acquire, or otherwise obtain an economic interest in, all or a material part of the business, assets or undertaking of AWA; or (d) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with AWA.
Conditions Precedent	means the conditions precedent set out in clause 3.1.
Confidential Information	has the meaning given in the Confidentiality Agreement.
Confidentiality Agreement	means the updated confidentiality agreement between AWA, Bendigo and Beyond dated on or about 24 November 2022.

Constitution Amendment	means such amendments to the AWA Constitution as necessary to enable implementation of the Transaction.
Control	has the meaning it has in section 50AA of the Corporations Act.
Controller	has the meaning it has in the Corporations Act.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Costs	includes costs, charges and expenses, including those incurred in connection with Advisers and any legal costs on a full indemnity basis.
Court	means the Federal Court of Australia (Melbourne registry), or such other court of competent jurisdiction under the Corporations Act agreed by the parties.
Data Room	means the electronic data room established by AWA and Beyond in connection with the Scheme, hosted by Beyond (or its legal representative) and made available to AWA, Beyond and their respective Representatives, an index of which is in Agreed Form.
Deed Poll	means a deed poll substantially in the form of Annexure B to this document.
Disclosed	means Fairly Disclosed in the Data Room.
Duplicate Member	means either: <ul style="list-style-type: none"> (a) a Scheme Participant that is not a Joint Member that holds a Beyond Member Share at the Scheme Record Date; or (b) a Joint Member where either of the Primary Member or Secondary Member(s) holds a Beyond Bank Member Share at the Scheme Record Date.
Effective, when used in relation to the Scheme	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any 'security interest' as defined in sections 12(1) or 12(2) of the

PPSA or any agreement to create any of them or allow them to exist.

End Date

means the earliest of:

- (a) the date of termination of this document in accordance with its terms; or
- (b) 30 June 2024, or such other date as is agreed in writing by Beyond and AWA.

End Transfer Products

means loan and deposit products sold by AWA and held on the balance sheet of Bendigo, including any loan assets and deposit liabilities as at the "transfer time" (as defined in the Alliance Agreement) transferred by AWA to Bendigo pursuant to Part 1 of the Alliance Agreement that are still on the balance sheet of Bendigo. End Transfer Products includes margin loans, debit cards, credit cards, non-cash payment products including direct entry credits and debits.

Exclusivity Period

means the period from and including the date of this document to the earliest of:

- (a) the End Date; or
- (b) the date of the termination of this document in accordance with its terms.

Fairly Disclosed

means, disclosed in sufficient detail so as to enable a reasonable and sophisticated person, experienced in transactions with similar effect to the Scheme and experienced in a business similar to the business conducted by AWA, to identify the nature and scope of the relevant matter, event or circumstance.

FCCU Merger

means the proposed merger of Beyond and First Choice Credit Union Limited (FCCU) pursuant to a Memorandum of Understanding between those parties dated 18 July 2023, which if approved by members of FCCU and APRA, would result in the voluntary transfer of business from FCCU to Beyond under the Transfer Act.

First Court Date

means the first day on which an application made to the Court, in accordance with clause 5.2(k), for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.

General Meeting

means the meeting of AWA Members, convened pursuant to the AWA Constitution and the Corporations Act, to consider the General Meeting Resolutions, to be held immediately after the Scheme Meeting, and includes any adjournment of such meeting.

General Meeting Resolutions	<p>means:</p> <p>(a) a resolution required by AWA Members to approve the Constitution Amendment; and</p> <p>(b) any other resolutions required of AWA Members (in that capacity) under the AWA Constitution or Corporations Act to authorise any transactions or steps contemplated by this document.</p>
GST	has the meaning given in the GST Act.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Implementation Date	means 12.00AM on 1 March 2024 (provided it is after the Scheme Record Date), or such other date following the Scheme Record Date, agreed by the parties and approved by the Court.
Incoming Directors	means the directors nominated by Beyond to join the AWA Board, whose nomination is to be confirmed prior to finalising the Scheme Booklet by no later than five Business Days prior to the Scheme Meeting.
Independent Expert	means Lonergan Edwards & Associates Limited ACN 095 445 560.
Independent Expert's Report	means the report from the Independent Expert for inclusion in the Scheme Booklet, including any update or supplementary report, stating whether in the Independent Expert's opinion the Scheme is in the best interests of AWA Members.
Insolvent	<p>A person is insolvent if:</p> <p>(a) it is (or states it is) insolvent under administration or insolvent (each as defined in the Corporations Act); or</p> <p>(b) it is in liquidation, in provisional liquidation, under administration, or wound up, or it has had a controller (as defined in the Corporations Act) appointed to its property; or</p> <p>(c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or is dissolved; or</p> <p>(d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 20 Business Days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or</p> <p>(e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or</p> <p>(f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it</p>

	<p>makes a statement from which another party to this deed reasonably deduces it is so subject); or</p> <p>(g) it is otherwise unable to pay its debts when they fall due; or</p> <p>(h) something having a substantially similar effect to (a) to (g) above happens in connection with that person under the law of any jurisdiction.</p>
Joint Member	a person that holds an AWA Member Share jointly with another person, as shown in the Register.
Loss	means all claims, demands, damages, losses, costs, expenses and liabilities (including any fine or penalty).
Material Contract	means any of the contracts set out in Schedule 4.
Meetings	means the Scheme Meeting and the General Meeting.
Meeting Date	means the date on which the Meetings are held.
MOU	means the Phase 1 Memorandum of Understanding dated on or about 19 December 2022 between AWA and Beyond in respect of the proposed Scheme.
Officer	means, in relation to an entity, any of its directors and officers.
Outgoing Directors	<p>means each of the current directors of AWA being:</p> <p>(a) Peter Richardson;</p> <p>(b) Richard Paul Lyle;</p> <p>(c) Neville John Pearce;</p> <p>(d) Sean Michael O'Neill;</p> <p>(e) Adrian John Hart;</p> <p>(f) Brian Ross Virtue;</p> <p>(g) Elaine Cafferty Carbines; and</p> <p>(h) Elizabeth Mary Ellen White.</p>
Parties	means both AWA and Beyond.
Party	means AWA or Beyond.
Party Details	means the Party Details section of this agreement at the commencement of this agreement.
PPSA	means the <i>Personal Property Securities Act 2009</i> (Cth).
Primary Member	means any Joint Member of AWA that is first named in the Register with respect to the relevant Joint Member, and that is not a Secondary Member.

Privacy Act	means the <i>Privacy Act 1988</i> (Cth).
Register	means the member register of AWA and Registry has a corresponding meaning.
Regulator Initiated Action	<p>means any action taken by a Regulatory Authority in respect of any non-compliance, including:</p> <ul style="list-style-type: none"> (a) the commencement of any investigation, prosecution or proceedings; (b) the issue of any infringement notices, fines or penalties; (c) the issue of any product intervention orders or stop orders; (d) the suspension, cancellation or variation of any licences, permits or approvals; (e) temporary or permanent ban from a company or its senior executives engaging in activities; (f) any other enforcement or disciplinary action or any other regulatory intervention, <p>that results, or is likely to result in, a Loss of \$1,500,000 or more to a party.</p>
Regulator's Draft	means the draft of the Scheme Booklet in a form acceptable to both parties which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.
Regulatory Approval	means any approval of a Regulatory Authority which a party, acting reasonably, determines is necessary or desirable to implement the Scheme or any aspect of it.
Regulatory Authority	<p>includes:</p> <ul style="list-style-type: none"> (a) ACCC, ASIC, APRA, AUSTRAC, the Takeovers Panel and the ATO; (b) a government or governmental, semi-governmental or judicial entity or authority; (c) a minister (including, to avoid doubt, the Commonwealth Treasurer), department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any regulatory organisation established under statute.
Related Body Corporate	has the meaning it has in the Corporations Act.
Relevant Interest	has the meaning it has in sections 608 and 609 of the Corporations Act.

- Representative** means, in relation to an entity:
- (a) a Related Body Corporate;
 - (b) an Officer or employee of the party or any of the party's Related Bodies Corporate; or
 - (c) an adviser to the entity or any of the entity's Related Bodies Corporate.
- Representative Member** has the meaning given in the GST Act.
- Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the AWA Member Shares (other than those already held by Beyond) will be transferred to Beyond substantially in the form of Annexure A together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.
- Scheme Booklet** means the information booklet to be approved by the Court and despatched to AWA Members which includes the Scheme, an explanatory statement complying with the requirements of the Corporations Act (with respect to the Scheme) and notices of meetings and proxy forms (with respect to the Scheme Meeting and the General Meeting), in accordance with this document.
- Scheme Consideration** means the consideration provided by Beyond for the transfer of Scheme Shares held by a Scheme Participant to Beyond, being, in respect of each:
- (a) Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00;
 - (b) Scheme Share that is held jointly by a Joint Member where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date:
 - (i) one Beyond Member Share to be issued to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00; and
 - (ii) one Beyond Member Share to be issued to each other Secondary Member, taken to have been issued (and fully paid up) with a nil subscription price,
 and otherwise on the same terms as all other Beyond Members Shares, subject to the Beyond Tenure Adjustment; and

- (c) Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
- (i) is not a Joint Member, the Cash Consideration and the Beyond Tenure Adjustment; or
 - (ii) is a Joint Member and:
 - (A) where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made;
 - (B) where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.

Scheme Meeting	means the meeting or meetings to be convened by order of the Court pursuant to section 411(1) of the Corporations Act, at which AWA Members will vote on the Scheme, and includes any adjournment of such meeting.
Scheme Participants	means each person who is an AWA Member at the Scheme Record Date.
Scheme Record Date	means 5.00pm on the fifth Business Day following the Effective Date or such other date as AWA and Beyond agree.
Scheme Share	an AWA Member Share held by a Scheme Participant as at the Scheme Record Date.
Second Court Date	means the first day on which an application made to the Court pursuant to section 411(4)(b) of the Corporations Act, for approval of the Scheme, is heard.
Secondary Member	means a Joint Member of AWA that is not a Primary Member with respect to that Joint Member and has not paid a subscription price in respect of the AWA Member Share held by the relevant Joint Member.
Statutory Transfer	means a partial voluntary transfer of business by Bendigo to Beyond under the Transfer Act as regards to the End Transfer

Products as existing on the date the partial voluntary transfer of business becomes effective, in accordance with the Transfer Act and the Transfer Rules.

Subsidiary of an entity

means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; or
- (b) is part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

Superior Proposal

means a bona fide Competing Transaction received in writing from a Third Party (not resulting from a breach by AWA of any of its obligations under clause 9) which the AWA Board, acting in good faith and after taking written legal advice from its legal Advisers and written advice from its financial Advisers determines:

- (a) is reasonably capable of being completed in a timely fashion taking into account all aspects of the Competing Transaction, including the identity, reputation and financial condition of the person making the proposal, and any timing considerations, conditions precedent or other matters affecting the probability of the Competing Transaction being completed; and
- (b) would, if completed substantially in accordance with its terms, likely be more favourable to AWA Members (as a whole) than the Scheme, taking into account all of the terms and conditions of the Competing Transaction (including consideration, conditionality, funding certainty, execution certainty, AWA's compliance with regulatory requirements, and timing) and relevant legal, regulatory and financial matters.

Tax Act

means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), or both as the context requires.

Taxes

means taxes, levies, imposts, charges and duties (including stamp and transaction duties) paid, payable or assessed as being payable by any authority together with any fines, penalties and interest in connection with them.

Third Party

means a person other than a party to this agreement.

Timetable

means the indicative timetable set out in Schedule 2 subject to any amendments agreed by the parties in writing.

Transaction	means the acquisition of all AWA Member Shares held by AWA Members on the Scheme Record Date by Beyond through implementation of the Scheme in accordance with the terms of this agreement.
Transaction Document	means any of: <ol style="list-style-type: none"> (a) this Merger Implementation Agreement; (b) the Scheme; (c) the Deed Poll; (d) the Confidentiality Agreement; and (e) any other document which the parties agree in writing is a Transaction Document.
Transaction Implementation Committee	means a committee established in accordance with clause 5.10.
Transfer Act	means the <i>Financial Sector (Transfer and Restructure) Act 1999</i> (Cth).
Transfer Certificate	means a certificate issued by APRA under section 18 of the Transfer Act to give effect to the Statutory Transfer.
Transfer Rules	means the <i>Financial Sector (Business Transfer and Group Restructure) Determination No. 2 of 2017</i> (Cth).
Treasurer	means the Treasurer of the Commonwealth of Australia.
Warranty Claim	means a claim by a party against the other arising under clause 10 of this document.

1.2 General interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Regulatory Authority, as well as an individual;

- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this agreement;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Regulatory Authority with legal power to do so);
- (h) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Melbourne, Victoria;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this agreement;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (p) a reference to a body (including an institute, association or authority), other than a party to this agreement, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (q) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (r) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or

derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or Third Party, or death;

- (s) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (t) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (u) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (v) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

1.3 Interpretation of inclusive expressions

Specifying anything in this agreement after the words 'include' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Consents and approvals

If the doing of any act, matter or thing under this document is dependent on the consent or approval of a party, or is within the discretion of a party, that party must act reasonably in determining whether to grant the consent or in the exercise of the discretion, including with respect to any attaching conditionality.

2. Agreement to propose and implement Scheme

2.1 AWA to propose Scheme

AWA agrees to propose the Scheme on and subject to the terms and conditions of this document, and must use all reasonable endeavours to do so within the Timetable.

2.2 Agreement to implement Scheme

The parties agree to implement the Scheme on the terms and conditions of this document.

3. Conditions Precedent

3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, until each of the following Conditions Precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

- (a) **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date:
 - (i) **ASIC:** ASIC issues or provides all relief, waivers, confirmations, exemptions, consents or approvals, and does all other acts necessary, or which AWA and Beyond agree are desirable, to implement the Scheme and such relief, waivers, confirmations, exemptions, consents, approvals or other acts (as the case may be) remain in full force and effect in all respects and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date; and
 - (ii) **other:** other than the Statutory Transfer, any other approvals, consents, waivers, exemptions or declarations that are required by law, or by any Regulatory Authority, to implement the Scheme are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
- (b) **No Regulator Initiated Action** before 5.00pm on the Business Day before the Second Court Date, no Regulator Initiated Action in respect of a party has occurred.
- (c) **ATO Comfort Letter:** before 5.00pm on the second Business Day before the First Court Date, Beyond receives the ATO Comfort Letter.
- (d) **Member approval - Scheme Meeting:** AWA Members approve the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act except to the extent the Court orders otherwise under section 411(4)(a)(ii)(A) of the Corporations Act, on the Meeting Date.
- (e) **Member approval - General Meeting:** AWA Members approve the General Meeting Resolutions at the General Meeting, each by the requisite majorities in accordance with the Corporations Act and the AWA Constitution, on the Meeting Date.
- (f) **Court approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act either unconditionally or on

conditions that do not impose unduly onerous obligations on either party (acting reasonably).

- (g) **Independent Expert:** the Independent Expert provides an Independent Expert's Report to AWA, stating that in its opinion the Scheme is in the best interests of AWA Members before the date on which the Scheme Booklet is lodged with ASIC.
- (h) **Approval of Statutory Transfer:** before 5.00pm on the Business Day before the Second Court Date, APRA has provided its approval to the Statutory Transfer, subject only to the Court's final approval of the Scheme, and otherwise on terms and conditions acceptable to the parties (acting reasonably).
- (i) **Restraints:** between (and including) the date of this agreement and 8.00am on the Second Court Date:
 - (i) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Regulatory Authority, or other material legal restraint or prohibition;
 - (ii) no action or investigation is announced, commenced or threatened by any Regulatory Authority; and
 - (iii) no application is made to any Regulatory Authority,
 in consequence of, or in connection with, the Scheme which:
 - (iv) restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Transaction or the rights of Beyond in respect of AWA or the AWA Shares to be acquired under the Scheme; or
 - (v) requires the divestiture by Beyond of any AWA Member Shares or the divestiture of any assets of the Beyond Group or of AWA,
 unless such order, injunction, decision, decree, action, investigation or application has been disposed of, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date.
- (j) **No AWA Prescribed Event:** no AWA Prescribed Event occurs between the date of this agreement and 8.00am on the Second Court Date.
- (k) **No Beyond Prescribed Event:** no Beyond Prescribed Event occurs between the date of this agreement and 8.00am on the Second Court Date.
- (l) **No AWA breach:** AWA is not in breach, in any material respect, of its obligations under clause 5, or any of its other obligations under this agreement at 8.00am on the Second Court Date.

- (m) **No Beyond breach:** Beyond is not in breach, in any material respect, of its obligations under clause 5, or any of its other obligations under this agreement at 8.00am on the Second Court Date.
- (n) **AWA Claims:** between (and including) the date of this agreement and 8.00am on the Second Court Date, none of AWA or any of its directors is aware of any Claims, including without limitation a Warranty Claim, pending or threatened against AWA which exceed or are likely to exceed \$1,500,000.
- (o) **Beyond Claims:** between (and including) the date of this agreement and 8.00am on the Second Court Date, none of Beyond or any of its respective directors is aware of any Claims, including without limitation a Warranty Claim, pending or threatened against Beyond which exceed or are likely to exceed \$1,500,000.

3.2 Satisfaction of Conditions Precedent

- (a) AWA must, to the extent applicable to it and to the extent it is within its power to do so, use all reasonable endeavours to procure that each of the Conditions Precedent in clauses 3.1(b), 3.1(d), 3.1(e), 3.1(f), 3.1(g), 3.1(j), 3.1(l) and 3.1(n) is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (b) Beyond must, to the extent it is within its power to do so, use all reasonable endeavours to procure that each of the Conditions Precedent in clauses, 3.1(b); 3.1(c), 3.1(k), 3.1(m), and 3.1(o) is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (c) Each party must, to the extent it is within its respective power to do so, use all reasonable endeavours to procure that:
 - (i) the Conditions Precedent in clauses 3.1(a), 3.1(h) and 3.1(i) are satisfied as soon as practicable after the date of this agreement and continue to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied; and
 - (ii) there is no occurrence within its control or the control of any of its Subsidiaries that would prevent any of the Conditions Precedent being or remaining satisfied.
- (d) Without limiting this clause 3.2 and except to the extent prohibited by a Regulatory Authority, each party must:
 - (i) promptly apply for all relevant Regulatory Approvals (as applicable) and provide to the other party a copy of all those applications;
 - (ii) take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information from the relevant Government Agencies at the earliest practicable time;

- (iii) keep the other party informed of progress in relation to each Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements proposed by, or to, any Regulatory Authority in relation to a Regulatory Approval) and provide the other party with all information reasonably requested in connection with the applications for, or progress of, the Regulatory Approvals;
- (iv) consult with the other party in advance in relation to the progress of obtaining, and all material communications with Government Agencies regarding any of, the Regulatory Approvals; and
- (v) provide the other party with all assistance and information that it reasonably requests in connection with an application for a Regulatory Approval to be lodged by that other party.

3.3 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(d), 3.1(e), 3.1(f) and 3.1(h) cannot be waived.
- (b) The Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(j), 3.1(l) and 3.1(n) are for the sole benefit of Beyond and may only be waived by Beyond (in its absolute discretion) in writing.
- (c) The Conditions Precedent in clauses 3.1(g), 3.1(k), 3.1(m), and 3.1(o) are for the sole benefit of AWA and may only be waived by AWA (in its absolute discretion) in writing.
- (d) The Conditions Precedent in clauses 3.1(a), and 3.1(i) are for the benefit of both parties and may only be waived by written agreement between Beyond and AWA (in their respective absolute discretion).
- (e) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:
 - (i) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same event; or
 - (ii) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event.

3.4 Termination on failure of Condition Precedent

- (a) If there is an event or occurrence that would, does, or will prevent any of the Conditions Precedent being satisfied (including, for the avoidance of doubt, if AWA Members do not pass the General Meeting Resolutions or agree to the Scheme at the Scheme Meeting by the requisite majorities), or if any of the Conditions Precedent will not otherwise be satisfied, by the earlier of:
 - (i) the time and date specified in this agreement for the satisfaction of that Condition Precedent; and

(ii) the End Date,

or such Condition Precedent is otherwise not satisfied by that specified time and date or by the End Date (as applicable), or it becomes more likely than not that the Scheme will not become Effective on or before the End Date, then either party may give the other party written notice (**Consultation Notice**) within 5 Business Days after a relevant notice being given under clause 3.5(b) and the parties then must consult in good faith to:

- (iii) consider and, if agreed, determine, whether the Transaction may proceed by way of alternative means or methods;
- (iv) consider changing and, if agreed, change, the date of the application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Beyond and AWA (being a date no later than 5 Business Days before the End Date); or
- (v) consider extending and, if agreed, extend, the time and date specified in this agreement for the satisfaction of that Condition Precedent or End Date (as applicable),

respectively.

(b) Subject to clauses 3.4(c) and 3.4(d), if the parties are unable to reach agreement under clause 3.4(a) within 5 Business Days after the date on which the Consultation Notice is given, then, unless:

- (i) the relevant Condition Precedent has been waived in accordance with clause 3.3; or
- (ii) the party, or in the case of clause 3.3(d), each party, entitled to waive the relevant Condition Precedent in accordance with clause 3.3 confirms in writing to the other party that it will not rely on the event or occurrence that would or does prevent the relevant Condition Precedent from being satisfied, or would mean the relevant Condition Precedent would or will not otherwise be satisfied,

either party may terminate this agreement without any liability to the other party because of that termination.

(c) A party may not terminate this agreement pursuant to clause 3.4(b) if:

- (i) the relevant occurrence or event, the failure of the Condition Precedent to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of clauses 3.2 or 3.5 by that party, although in such circumstances the other party may still terminate this agreement; or
- (ii) the relevant Condition Precedent is stated in clause 3.3 to be for the sole benefit of the other party.

- (d) If the Condition Precedent in clause 3.1(d) (Member approval - Scheme Meeting) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has, in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If approval is given, the Condition Precedent in clause 3.1(d) is deemed to be satisfied for all purposes.

3.5 Certain notices relating to Conditions Precedent

If a party becomes aware of:

- (a) the satisfaction of a Condition Precedent or of any material progress towards such satisfaction; or
- (b) the happening of an event or occurrence that would, does, will, or would reasonably be likely to:
- (i) prevent a Condition Precedent being satisfied; or
 - (ii) mean that any Condition Precedent will not otherwise be satisfied, before the time and date specified for its satisfaction (or being satisfied by the End Date, if no such time and date is specified) or such Condition Precedent is not otherwise satisfied by that time and date (including, for the avoidance of doubt, if AWA Members do not agree to the Scheme at the Scheme Meeting by the requisite majorities),

it must advise the other party by notice in writing, as soon as possible (and in any event within 2 Business Days).

4. Overview of Scheme

4.1 Scheme

AWA must propose a scheme of arrangement under which:

- (a) all the AWA Member Shares held by Scheme Participants at the Scheme Record Date will be transferred to Beyond; and
- (b) each Scheme Participant will be entitled to receive the Scheme Consideration, subject to and in accordance with this document, the Scheme and the Deed Poll.

4.2 **MOU Commitments**

Each of the commitments made by Beyond in respect of clauses 10 to 17 (inclusive) of the MOU are to be honoured by Beyond, subject only to any amendment or additional detail agreed between Beyond and AWA.

4.3 **Scheme Consideration**

Subject to and in accordance with this document and the Scheme, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Participant.

4.4 **Provision of Scheme Consideration**

Subject to this document and the Scheme, Beyond undertakes to AWA (in its own right and separately as trustee or nominee of each Scheme Participant) that, in consideration of the transfer to Beyond of each Scheme Share held by a Scheme Participant, Beyond will, on the Implementation Date:

- (a) accept that transfer; and
- (b) issue or pay the Scheme Consideration to the Scheme Participants in accordance with the terms of the agreement, the Deed Poll and the Scheme.

4.5 **Provision of AWA Member information**

- (a) In order to facilitate the provision of the Scheme Consideration, AWA must provide, or procure the provision of, to Beyond or a nominee of Beyond, a complete copy of the Register as at the Scheme Record Date (which must include the name, registered address and registered holding of each Scheme Participant as at the Scheme Record Date), within one Business Day after the Scheme Record Date.
- (b) The details and information to be provided under clause 4.5(a) must be provided in such form as Beyond, its nominee or the Beyond Registry may reasonably require.

4.6 **No amendment to the Scheme without consent**

AWA must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme or any Transaction Document, without the prior written consent of Beyond.

5. **Implementation**

5.1 **General obligations**

AWA and Beyond must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and corporate relations resources and the resources of external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing information),

to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable, in accordance with this document, and in accordance with the Timetable.

5.2 AWA's obligations

AWA must take all reasonable steps to implement the Scheme on a basis consistent with this document as soon as reasonably practicable and must:

- (a) **(execute documents and perform acts)** execute all documents and do all acts and things within its power as may be necessary for the implementation and performance of the Scheme in accordance with the Transaction Documents;
- (b) **(Independent Expert)** promptly appoint the Independent Expert (if not already appointed prior to the date of this agreement) and provide any assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare its report for the Scheme Booklet as soon as practicable;
- (c) **(preparation of Scheme Booklet)** subject to clause 5.2(d), as soon as practicable after the date of this document, prepare and despatch the Scheme Booklet:
 - (i) in accordance with all applicable laws, including the Corporations Act, Corporations Regulations and ASIC Regulatory Guide 60, and all relevant regulatory guides and other guidelines and requirements of ASIC, and the terms of this document; and
 - (ii) which includes statements:
 - (A) by the AWA Directors which unanimously recommend that AWA Members vote in favour of the Scheme and the General Meeting Resolutions, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members and there being no Superior Proposal; and
 - (B) by each AWA Director who holds AWA Member Shares that they intend to vote their AWA Member Shares in favour of the Scheme and the General Meeting Resolutions, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of AWA Members and there being no Superior Proposal;
- (d) **(consultation with Beyond)** consult with Beyond as to the content and presentation of:

- (i) the Scheme Booklet, which includes:
 - (A) allowing Beyond a reasonable opportunity to review and make comments on successive drafts of the Scheme Booklet (accepting that any review of the Independent Expert's Report is limited to review for factual accuracy);
 - (B) taking any reasonable comments made by Beyond into account in good faith when producing revised drafts of the Scheme Booklet;
 - (C) providing to Beyond a revised draft of the Scheme Booklet within a reasonable time (and in any event five Business Days) before the draft of the Scheme Booklet which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act is finalised;
 - (D) obtaining Beyond's consent to the inclusion of the Beyond Information (including in respect of the form and context in which the Beyond Information appears in the Scheme Booklet) and the lodgement of the Scheme Booklet with ASIC; and
 - (E) providing a copy to Beyond of the final form of the Scheme Booklet prior to the First Court Date;
 - (ii) documents required for the purposes of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme, including originating processes, affidavits, submissions and draft minutes of Court orders), including by:
 - (A) providing drafts of those documents to Beyond for review a reasonable time (and in any event five Business Days) before they are to be filed with the Court; and
 - (B) considering in good faith any comments on, or suggested amendments to, those documents from Beyond prior to filing those documents with the Court;
- (e) **(lodgement of Regulator's Draft)**
- (i) as soon as practicable after the date of this document, and in any event no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet ('**Regulator's Draft**') to ASIC for its review for the purposes of section 411(2) of the Corporations Act, and provide a copy of the Regulator's Draft to Beyond immediately thereafter;
 - (ii) keep Beyond fully informed of any issues raised by ASIC in relation to the Regulator's Draft and, where practical to do so, consult with Beyond in good faith prior to taking any steps or actions to address those material issues (provided that, where those issues relate to Beyond Information, AWA must not take any steps to address them without Beyond's prior written consent); and

- (iii) promptly provide to Beyond, and include in a revised draft of the Scheme Booklet, any new information not included in the Regulator's Draft which is required by applicable law, including the Corporations Act, Corporations Regulations, and ASIC Regulatory Guide 60;
- (f) **(section 411(17)(b) statement)** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (g) **(supplementary disclosure)** if, after despatch of the Scheme Booklet, AWA becomes aware (including where advised by Beyond):
 - (i) that information included in the Scheme Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
 - (ii) of information that is required to be disclosed to AWA Members under any applicable law but was not included in the Scheme Booklet,

promptly consult with Beyond in good faith as to the need for, and the form of, any supplementary disclosure to AWA Members, and make any disclosure that AWA considers reasonably necessary in the circumstances, having regard to applicable laws and to ensure that there would be no breach of clause 10.2(h) if it applied as at the date that information arose;
- (h) **(Register details)** subject to the Corporations Act and privacy legislation, provide all information that Beyond reasonably requests in relation to the Register (including in such electronic form as is reasonably requested);
- (i) **(use of Beyond information)** during the period until the Beyond Information (or any information solely derived from, or prepared solely in reliance on, the Beyond Information) becomes publicly available, only use that information in, and in preparing, the Scheme Booklet or otherwise with the prior written consent of Beyond (not to be unreasonably withheld or delayed);
- (j) **(approval of Scheme Booklet)** procure that a meeting of the AWA Directors is convened to consider approving the Scheme Booklet for despatch to the AWA Members;
- (k) **(Court application)** prepare the relevant Court documents and apply to the Court for an order under section 411(1) of the Corporations Act directing AWA to convene the Scheme Meeting;
- (l) **(send Scheme Booklet)** as soon as practicable after the Court orders AWA to convene the Scheme Meeting, print and send the Scheme Booklet to AWA Members in accordance with the Corporations Act and the AWA Constitution;
- (m) **(Meetings)** as soon as practicable, convene the Meetings for the purposes of considering and, if thought fit, approving the Scheme and the General Meeting Resolutions, in accordance with any orders made by the Court pursuant to section 411(1) of the Corporations Act (in the case of the Scheme) and the AWA Constitution (in the case of the General Meeting Resolutions);

- (n) **(director's voting)** use its reasonable endeavours to procure that each AWA Director votes any AWA Member Shares in which they hold in favour of the Scheme and the General Meeting Resolutions;
- (o) **(Court approval)** subject to all Conditions Precedent, other than clause 3.1(f) (Court approval) being satisfied or waived in accordance with this document, apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (p) **(Conditions Precedent certificate)** at the hearing on the Second Court Date, provide to the Court (through its counsel):
 - (i) a certificate signed by one of the AWA Directors and made in accordance with a resolution of the AWA Board confirming (in respect of matters within AWA's knowledge) whether or not the Conditions Precedent for which it is responsible, as noted in clause 3.2 (other than clause 3.1(f) (Court approval)), have been satisfied or waived in accordance with clause 3, a draft of which must be provided to Beyond by 4.00pm on the Business Day prior to the Second Court Date; and
 - (ii) any certificate provided to it by Beyond under clause 5.3(j);
- (q) **(lodge copy of Court order)** lodge with ASIC:
 - (i) an office copy of the Court order approving the Scheme as approved by the AWA Members at the Scheme Meeting in accordance with section 411(10) of the Corporations Act on the day after that office copy is received (or any later date agreed in writing by Beyond); and
 - (ii) notice to ASIC of the approval of the General Meeting Resolutions as special resolutions;
- (r) **(Register)** close the Register as at the Scheme Record Date to determine the identity of Scheme Participants and their entitlements to Scheme Consideration;
- (s) **(instruments of transfer)** subject to Beyond satisfying its obligations under clause 4.4 and the terms of the Scheme, on the Implementation Date:
 - (i) execute proper instruments of transfer and effect the transfer of AWA Member Shares to Beyond in accordance with the Scheme;
 - (ii) register all transfers of AWA Member Shares held by Scheme Participants to Beyond; and
- (t) **(other steps)** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

5.3 Beyond's obligations

Beyond must take all reasonable steps to assist AWA to implement the Scheme on a basis consistent with this document and as soon as reasonably practicable, and in particular must:

- (a) **(Beyond Tenure Adjustment)** within 20 Business Days of execution of this document, pass a board resolution to authorise the Beyond Tenure Adjustment being provided as part of the Scheme Consideration on the Scheme becoming Effective;
- (b) **(execute documents and perform acts)** execute all documents and do all acts and things within its power as may be necessary for the implementation and performance of the Scheme in accordance with the Transaction Documents;
- (c) **(Beyond Information)** prepare and promptly provide to AWA for inclusion in the Scheme Booklet information and disclosures concerning Beyond required to be included in accordance with all applicable laws, including the Corporations Act, Corporations Regulations and ASIC Regulatory Guide 60, and consent to the inclusion of that information in the Scheme Booklet;
- (d) **(further Beyond Information)** promptly provide to AWA any further or new Beyond Information as may arise after the Scheme Booklet has been sent to AWA Members and until the date of the Scheme Meeting as may be necessary to ensure that the Beyond Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any omission) and to ensure that there would be no breach of clause 10.4(h) if it applied as at the date on which such further or new Beyond Information arose;
- (e) **(supplementary disclosure)** promptly provide to AWA any information reasonably requested by AWA for inclusion in any supplementary disclosure to be issued to AWA Members which AWA considers necessary;
- (f) **(Independent Expert information)** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (g) **(use of AWA information)** during the period until the AWA Information (or any information solely derived from, or prepared solely in reliance on, the AWA Information) becomes publicly available, only use that information in connection with the preparation of the Scheme Booklet or otherwise with the prior written consent of AWA (not to be unreasonably withheld or delayed);
- (h) **(representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel, Beyond must undertake (if requested by the court) to do all things and take all steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this document and the Scheme;
- (i) **(Deed Poll)** prior to the Scheme Booklet being sent, sign and deliver the Deed Poll;

- (j) **(Conditions Precedent certificate)** before 8.00am on the Second Court Date, provide to AWA for provision to the Court at the hearing on that date a certificate signed by one of the Beyond Directors and made in accordance with a resolution of the Beyond Board confirming (in respect of matters within Beyond's knowledge) whether or not the Conditions Precedent for which Beyond is responsible, as noted in clause 3.2 have been satisfied or waived in accordance with clause 3, a draft of which must be provided to AWA by 4.00pm on the Business Day prior to the Second Court Date;
- (k) **(Share transfer)** if the Scheme becomes Effective, accept a transfer of the AWA Member Shares as contemplated by clause 4.4(a); and
- (l) **(Scheme Consideration)** if the Scheme becomes Effective, provide the Scheme Consideration in the manner contemplated by clause 4.4(b), and the terms of the Scheme.

5.4 Participation in third party negotiations

If advancing the Scheme or Statutory Transfer requires any (preliminary or final) negotiation with government, any Regulatory Authority, the private sector or any trade union, each party to this agreement is entitled to participate in the negotiations.

5.5 Scheme Booklet responsibility statement

The responsibility statement to appear in the Scheme Booklet, in a form to be agreed by the parties, will contain words to the effect of:

- (a) AWA has prepared, and is responsible for, the content of the Scheme Booklet other than, to the maximum extent permitted by law, the Beyond Information and the Independent Expert's Report;
- (b) Beyond has prepared, and is responsible for, the Beyond Information in the Scheme Booklet (and no other part of the Scheme Booklet); and
- (c) AWA and its Officers do not assume any responsibility for the accuracy or completeness of Beyond Information.

5.6 Disagreement on content of Scheme Booklet

- (a) If Beyond and AWA disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet.
- (b) If complete agreement is not reached after reasonable consultation, then:
 - (i) if the disagreement relates to the form or content of the Beyond Information contained in the Scheme Booklet (or information relating to Beyond in the Independent Expert's Report), AWA will make any amendments that Beyond requires (or communicate the request for amendment to the Independent Expert as relevant); and

- (ii) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the AWA Directors must, acting in good faith, approve the final form or content of the disputed part of the Scheme Booklet.

5.7 Verification

- (a) Beyond must undertake appropriate verification processes for the Beyond Information in the Scheme Booklet.
- (b) AWA must undertake appropriate verification for the AWA Information in the Scheme Booklet

5.8 Conduct of Court proceeding

AWA and Beyond are entitled to separate representation at all Court proceedings relating to the Scheme. This document does not give AWA or Beyond any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent. AWA and Beyond must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme and the General Meeting Resolutions as contemplated by this document.

5.9 Appeal process

If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, Beyond and AWA must appeal the Court's decision to the fullest extent possible except to the extent that:

- (a) the parties agree otherwise; or
- (b) an independent senior counsel advises that, in their opinion, an appeal would have no reasonable prospect of success before the End Date,

in which case either party may terminate this document in accordance with clause 11.1.

5.10 Transaction Implementation Committee

- (a) The parties must (if not already established) establish a Transaction Implementation Committee as soon as reasonably practical after the date of this document to remain in place for a period of 12 months after the Implementation Date, with membership comprising:
 - (i) two Outgoing Directors;
 - (ii) two Beyond Directors;
 - (iii) the person who is the chief executive officer (or delegate) of AWA immediately prior to the Implementation Date; and
 - (iv) the chief executive officer (or delegate) of Beyond.

- (b) The role of the Transaction Implementation Committee will be to act as a forum for consultation and planning by the parties to:
 - (i) implement the Scheme; and
 - (ii) subject to clause 5.11, after the First Court Date ensure the smooth transition of the management of the business and affairs of AWA to Beyond following the implementation of the Scheme.
- (c) The parties shall also prepare and agree a terms of reference document governing the role of the committee.
- (d) The Transaction Implementation Committee and AWA's most senior representative on that committee, must first authorise any contact or communication with any non-executive employee, supplier or customer of AWA, which in any way relates to the proposed Scheme or Statutory Transfer.

5.11 No partnership or joint venture

Subject to this document, nothing in this clause requires either party to act at the direction of the other. The business of each party will continue to operate independently from the other until the Implementation Date. The parties agree that nothing in this document constitutes the relationship of a partnership or a joint venture between the parties.

5.12 Access to information and co-operation

- (a) Subject to clause 5.1(b), during the period from the date of this document up to and including the Implementation Date, AWA must, afford to Beyond and its Representatives reasonable access to information of AWA and give reasonable access to the AWA's senior officers and records as reasonably requested by Beyond, and otherwise provide reasonable co-operation to Beyond, in each case for the purposes of:
 - (i) the Implementation of the Scheme;
 - (ii) understanding and managing AWA's capital, funding and liquidity position and compliance with regulatory capital requirements, and the development and implementation of Beyond's capital, funding and liquidity plans for AWA following the Implementation of the Scheme;
 - (iii) compliance with legally binding reporting obligations to Beyond Members or to financiers or other investors, or to satisfy its compliance obligations under any applicable legal, governmental, taxation or regulatory rules, or otherwise imposed by a Regulatory Authority;
 - (iv) preparing for carrying on the business of AWA following Implementation; and
 - (v) any other purpose that is agreed in writing between the parties,

provided that:

- (vi) Beyond will focus on material issues, having regard to management commitments and the impact of information requests on AWA's business (including availability of human resources);
 - (vii) such requests by Beyond do not result in unreasonable disruptions to AWA's business, or require AWA to make further disclosure to any other entity or Regulatory Authority or require the disclosure of any document that would compromise AWA's legal professional privilege;
 - (viii) AWA's obligations under this clause 5.12 are subject to any existing confidentiality obligations owed to Third Parties;
 - (ix) nothing in this clause 5.12 will require AWA to provide information concerning its directors' and management's consideration of the Scheme or any Competing Transaction (but this does not limit AWA's obligations under clause 9); and
 - (x) AWA may provide its records to Beyond at a place other than AWA's business premises.
- (b) AWA is not obliged to comply with any obligation in clause 5.1(a) to the extent that such compliance would cause AWA to contravene any law, including any competition law.

6. Recommendation

6.1 Recommendation in Scheme Booklet

- (a) AWA must use reasonable endeavours to procure that the Scheme Booklet contains a statement on the basis of written statements or resolutions made by each AWA Director:
 - (i) that the AWA Directors unanimously consider the Scheme and the General Meeting Resolutions to be in the best interests of AWA Members;
 - (ii) that the AWA Directors recommend that AWA Members approve the Scheme and should vote in favour of the Scheme and the General Meeting Resolutions in respect of all of their AWA Member Shares; and
 - (iii) that each AWA Director who holds, or controls the disposal of, AWA Member Shares intends to vote in favour of the Scheme and the General Meeting Resolutions in respect of all of those AWA Member Shares,
- (b) in each case subject to:

- (i) the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of AWA Members;
- (ii) there being no Superior Proposal; and
- (iii) the AWA Board not becoming aware of any fact, matter or circumstance which indicates that the Statutory Transfer is unlikely to proceed (including without limitation due to any regulatory matter, or timeframe or provision of the Alliance Agreement),

(the **Relevant Statements**).

- (c) For the avoidance of doubt, customary qualifications and explanations contained in the Scheme Booklet in relation to a recommendation to vote in favour of the Scheme (to the effect that the recommendation is made in the absence of a Superior Proposal from a Third Party or a conclusion by the Independent Expert that the Scheme is not in the best interests of AWA Members) will not be regarded as a failure to make, or withdraw the making of, a recommendation to vote in favour of the Scheme.

6.2 **Withdrawal or change of recommendation**

- (a) AWA must use reasonable endeavours to procure that each AWA Director who holds, or controls the disposal of, AWA Member Shares does not change or withdraw their statement of intention regarding voting in favour of the Scheme and the General Meeting Resolutions in respect of all of those AWA Member Shares, unless there is a Superior Proposal from a Third Party or the circumstances in clause 6.1(b)(iii) occur.
- (b) Without limiting clause 9, if AWA becomes aware that an AWA Director proposes to withdraw or change their recommendation or a Relevant Statement:
 - (i) AWA must notify Beyond in writing as soon as reasonably practical and in any event within two Business Days; and
 - (ii) the parties must consult in good faith for two Business Days after the date on which the notification in clause 6.2(a) is given to consider and determine whether the recommendation in place at the time can be maintained. AWA must use reasonable endeavours to procure that such Director's recommendation cannot be withdrawn or changed in accordance with clause 6.1 until the end of the consultation period.

7. Directors and employees

7.1 Appointment/retirement of AWA Directors

- (a) Prior to the Implementation Date, each Outgoing Director must provide to Beyond, an irrevocable letter of resignation subject to and effective upon the Scheme becoming Effective.
- (b) On the Implementation Date, AWA must:
 - (i) cause the appointment of Incoming Directors to the AWA Board, subject to those persons having provided written consent to act as directors of AWA and director identification numbers; and
 - (ii) procure that each Outgoing Director retires from the AWA Board and provide written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against AWA,

but:
 - (iii) provided that a minimum of three directors remain on the AWA Board at all times; and
 - (iv) in each case, in accordance with AWA's constitution, the Corporations Act and the Banking Act.

7.2 Officers' insurance

Subject to the Scheme becoming Effective and subject to applicable law (including the Corporations Act and the Banking Act), Beyond undertakes in favour of AWA and each person who is an AWA Officer that it will procure that AWA complies with any deeds of indemnity, access and insurance made by them in favour of their respective Officers from time to time and without limiting the foregoing, ensure that the directors' and officers' run-off insurance cover for those Officers is maintained, subject to clause 7.3, for a period of seven years from the retirement date of each Officer.

7.3 Period of undertaking

The undertakings contained in clause 7.2 are given until the earlier of the end of the relevant period specified in that clause or AWA ceasing to be part of the Beyond Group.

7.4 Benefit of undertaking for AWA

AWA acknowledges that it receives and holds the benefit of clause 7.2 to the extent it relates to each Officer of AWA on behalf of them.

7.5 AWA Staff

The parties agree that AWA employees shall be dealt with in the manner set out in Schedule 6, and Beyond covenants to take all steps prior to the Implementation Date to implement and comply with the arrangements agreed in Schedule 6.

8. Conduct of business

8.1 Overview

From the date of this document up to and including the Implementation Date, both AWA and Beyond must conduct its business:

- (a) subject to clause 8.1(b), in the ordinary course consistent with the usual business practices and policies of AWA (in the case of AWA) and the Beyond Group (in the case of Beyond), consistent with the business plans, and in substantially the same manner as previously conducted in the six month period prior to the date of this document; and
- (b) in accordance with all applicable laws and any applicable prudential standards, and must regularly consult with Beyond on the conduct of the business.

8.2 Specific obligations of AWA

Without limiting clause 8.1 and other than with the prior approval of Beyond (which approval must not be unreasonably withheld or delayed) or as required by this document, AWA must, from the date of this document up to and including the Implementation Date, use all reasonable endeavours to ensure that AWA:

- (a) **(business and assets)** maintain the condition of their business and assets, and preserve the goodwill of its business;
- (b) **(Officers)** keep available the services of their current Officers;
- (c) **(relationships)** maintain and preserve their relationships with Regulatory Authorities, ratings agencies, customers, suppliers, licensors, licensees, and having business dealings with AWA (including using reasonable endeavours to obtain consents from Third Parties to any change of control provisions in material contracts to which AWA is a party (including the Alliance Agreement) and which Beyond reasonably requests);
- (d) **(reporting)** provide regular reports to Beyond on the financial affairs of AWA, in a timely manner, and copies of the monthly management reports prepared between the date of this document up to and including the Implementation Date;
- (e) **(notification)** promptly advise of any material changes or developments which may be material to AWA's business, including:

- (i) any material change or deterioration in the business;
 - (ii) in relation to AWA's capital, funding and liquidity position (including compliance with regulatory requirements); and
 - (iii) in relation to AWA's engagement with Regulatory Authorities;
- (f) **(cash)** ensures there is no material decrease in the amount of cash in AWA other than as:
- (i) used in the ordinary course of business and consistent with forecast cash utilisation; or
 - (ii) a result of reasonable Costs incurred directly in relation to the transactions contemplated by the Scheme.

8.3 Prohibited actions of AWA

Other than with the prior approval of Beyond (which approval must not be unreasonably withheld or delayed), or as required by this document, AWA must not, from the date of this document up to and including the Implementation Date:

- (a) **(breach of a Condition Precedent)** take any action which would result in, or would be reasonably expected to lead to, the breach or non-satisfaction of a Condition Precedent;
- (b) **(AWA Prescribed Event)** take any action which is or would result in, or would be reasonably expected to give rise to, an AWA Prescribed Event;
- (c) **(Material contracts)** vary or terminate a material contract (including the Alliance Agreement, or any other contract without which, AWA could not carry on its business) or enter into any new material contract;
- (d) **(employment agreements):**
 - (i) other than in the ordinary course of business (including periodic performance and remuneration reviews), increase the remuneration of (including with regard to superannuation benefits) or benefits provided to or pay any bonus issue of any securities or options to, any of its Officers or employees;
 - (ii) vary the employment agreements with any of its Officers or employees;
 - (iii) accelerate the rights of any of its Officers or employees to compensation or benefits of any or any other rights under any AWA executive or employee share or cash plan;
 - (iv) pay any Officer or employee a termination payment, other than as provided for in an existing employment contract in place as at the date of this document;

- (e) **(information technology)** take any action in respect of the information technology systems used in AWA's business (including systems under development) which would have a material impact on those systems or their availability for use in AWA's business; or
- (f) **(agree)** agree to do any of the matters set out above.

8.4 Specific obligations of Beyond

Without limiting clause 8.1 and other than with the prior approval of AWA (which approval must not be unreasonably withheld or delayed) or as required by this document, Beyond must, from the date of this document up to and including the Implementation Date, use all reasonable endeavours to ensure that Beyond and each Beyond Group Member:

- (a) **(business and assets)** maintain the condition of their business and assets, and preserve the goodwill of its business;
- (b) **(Officers)** keep available the services of their current Officers;
- (c) **(relationships)** maintain and preserve their relationships with Regulatory Authorities, ratings agencies, customers, suppliers, licensors, licensees, and having business dealings with any Beyond Group Member;
- (d) **(reporting)** provide regular reports to AWA on the financial affairs of the Beyond Group, in a timely manner, and copies of the monthly management reports prepared between the date of this document up to and including the Implementation Date;
- (e) **(notification)** promptly advise of any material changes or developments which may be material to the Beyond Group's business, including:
 - (i) any material change or deterioration in the business;
 - (ii) in relation to the Beyond Group's capital, funding and liquidity position (including compliance with regulatory requirements); and
 - (iii) in relation to the Beyond Group's engagement with Regulatory Authorities;
- (f) **(cash)** ensures there is no material decrease in the amount of cash available to Beyond other than as:
 - (i) used in the ordinary course of business and consistent with forecast cash utilisation; or
 - (ii) a result of reasonable Costs incurred directly in relation to the transactions contemplated by the Scheme.

8.5 Prohibited actions of Beyond

Other than with the prior approval of AWA (which approval must not be unreasonably withheld or delayed) or as required by this document, Beyond must not, and must ensure that each Beyond Group Member does not, from the date of this document up to and including the Implementation Date:

- (a) **(breach of a Condition Precedent)** take any action which would result in, or would be reasonably expected to lead to, the breach or non-satisfaction of a Condition Precedent;
- (b) **(Beyond Prescribed Event)** take any action which is or would result in, or would be reasonably expected to give rise to, a Beyond Prescribed Event;
- (c) **(Material Contracts)** vary or terminate a Material Contract or enter into any new material contract which would prevent Beyond from performing any material obligation under this Agreement or implementing the Scheme; or
- (d) **(agree)** agree to do any of the matters set out above.

8.6 Exceptions to conduct of business provisions

- (a) Nothing in clauses 8.1 to 8.3 restricts the ability of a party to take any action to the extent that it:
 - (i) is expressly required or permitted by this document, the Scheme, or otherwise required by law;
 - (ii) has Disclosed; or
 - (iii) has been agreed to in writing by AWA.
- (b) Nothing in clause 8 requires AWA to take any action to the extent that it would result in a breach of a Transaction Document.

9. Exclusivity

9.1 No existing discussions

- (a) AWA represents and warrants that, other than the discussions with Beyond in respect of the Scheme, it is not at the date of this document in negotiations or discussions in respect of any Competing Transaction with any person.
- (b) During the Exclusivity Period, AWA must ensure it and any of its Representatives cease any negotiations of a kind described in clause 9.1(a) which may be on foot at the date of this document.

9.2 No-shop

- (a) During the Exclusivity Period, AWA must ensure that neither it nor any of its Representatives directly or indirectly:
- (i) solicits, invites, encourages or initiates any enquiries, proposals, negotiations or discussions; or
 - (ii) communicates any intention to do any of these things,
- with a view to obtaining any offer, enquiry, proposal or expression of interest from any person in relation to a Competing Transaction.
- (b) Nothing in this clause 9.2 prevents AWA from making presentations to, and responding to questions from, its members, in the ordinary course in relation to its business or the Scheme (subject to applicable law and clause 13).

9.3 No-talk

Subject to clause 9.5 during the Exclusivity Period, AWA must ensure that neither it nor any of its Representatives:

- (a) negotiates or enters into; or
- (b) participates in, continues or commences negotiations or discussions with any other person regarding,

a Competing Transaction or any agreement, understanding or arrangement that could be reasonably expected to lead to a Competing Transaction or any other agreement, understanding or arrangement that could reasonably be expected to reduce the likelihood of the Scheme's success, even if:

- (c) that person's Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by AWA or any of its Representatives; or
- (d) the person has publicly announced the Competing Transaction.

9.4 Due diligence information

Subject to clauses 9.5, during the Exclusivity Period, AWA must ensure that neither it nor any of its Representatives in relation to a Competing Transaction directly or indirectly:

- (a) enables any other person other than Beyond to undertake due diligence investigations on AWA or its businesses or operations; or
- (b) makes available to any other person, or permits any other person to receive, other than Beyond (in the course of due diligence investigations or otherwise) any non-public information relating to AWA or its business or operations.

9.5 Exceptions

Clause 9.3 and clause 9.4 do not apply to the extent that they restrict AWA or any of its Representatives from taking or omitting to take any action with respect to a Competing Transaction (which was not solicited, invited, encouraged or initiated by AWA in contravention of clause 9.2) provided that the AWA Board has determined, in good faith that:

- (a) the Competing Transaction is bona fide; and
- (b) after consultation with its Advisers and receiving written advice from its legal Advisers:
 - (i) the Competing Transaction is, or would reasonably be expected to become, a Superior Proposal; and
 - (ii) failing to respond to such a genuine Competing Transaction would be likely to constitute a breach of the AWA Board's fiduciary or statutory obligations or AWA's obligations under the Corporations Act.

9.6 Notice of unsolicited approach

During the Exclusivity Period, AWA must promptly (and in any event within 48 hours) inform Beyond if it or any of its Representatives:

- (a) receives any unsolicited approach with respect to any Competing Transaction and must disclose to Beyond all material details of the Competing Transaction, including details of the proposed bidder or acquirer;
- (b) receives any request for information relating to AWA or any of its businesses or operations or any request for access to the books or records of AWA, which AWA has reasonable grounds to suspect may relate to a current or future Competing Transaction; and
- (c) provides any information relating to AWA or any of its businesses or operations to any person in connection with or for the purposes of a current or future Competing Transaction.

9.7 Matching right

Without limiting clauses 9.2 and 9.3, during the Exclusivity Period, AWA:

- (a) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, AWA or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Transaction; and
- (b) must use all reasonable endeavours to procure that none of the AWA Directors change their recommendation in favour of the Scheme to publicly recommend an actual, proposed or potential Competing Transaction (or recommend against the Scheme),

unless:

- (c) the AWA Board acting in good faith and in order to satisfy what the AWA Board considers to be its statutory or fiduciary duties (having received written advice from its Advisers), determines that the Competing Transaction would be or would be likely to be an actual, proposed or potential Superior Proposal;
- (d) AWA has provided Beyond with the material terms and conditions of the Competing Transaction, including price and the identity of the Third Party making the Competing Transaction (to the extent known);
- (e) AWA has given Beyond at least five Business Days after the date of the provision of the information referred to in clause 9.7(d) to provide a matching or superior proposal to the terms of the Competing Transaction; and
- (f) Beyond has not proposed to AWA a matching or superior proposal to the terms of the Competing Transaction before the expiry of the five Business Day period referred to in clause 9.7(e).

AWA acknowledges and agrees that each successive modification of any actual, proposed or potential Competing Transaction will constitute a new actual, proposed or potential Competing Transaction for the purposes of the requirements under clause 9.7(e) and accordingly AWA must comply with clause 9.7(e) and clause 9.7(f) of this clause in respect of any new actual, proposed or potential Competing Transaction unless clause 9.7(c) to 9.7(f) (inclusive) apply.

9.8 **Beyond counterproposal**

If Beyond proposes to AWA amendments to the Scheme or a new proposal that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction (**Beyond Counterproposal**) before the expiry of the five Business Day period referred to in clause 9.7(e), AWA must use reasonable endeavours to procure that the AWA Directors consider the Beyond Counterproposal and if the AWA Directors, acting reasonably and in good faith, determines that the Beyond Counterproposal would provide an equivalent or superior outcome for AWA Members as a whole compared with the Competing Transaction, taking into account all of the terms and conditions of the Beyond Counterproposal, then:

- (a) AWA and Beyond must use their reasonable endeavours to agree the amendments to this document and, if applicable, the Scheme and Deed Poll that are reasonably necessary to reflect the Beyond Counterproposal and to implement the Beyond Counterproposal, in each case as soon as reasonably practicable; and
- (b) AWA must use its reasonable endeavours to procure that each of the AWA Directors continue to recommend the Scheme (as modified by the Beyond Counterproposal) to AWA Members.

10. Representations and warranties

10.1 Timing of representations and warranties

Each representation and warranty made or given under this clause 10 is given at the date of this document and repeated continuously thereafter until 8.00am on the Second Court Date (except where that representation or warranty is expressed to be given at a particular time, in which case it is given at that time).

10.2 AWA's representations and warranties

AWA represents and warrants to Beyond (on its own behalf and separately as trustee or nominee for each of the Beyond Directors) that each of the following statements is true and correct in all material respects:

- (a) **(status)** it has been incorporated or formed, and continues to validly exist, in accordance with the laws of its place of incorporation;
- (b) **(power)** it has power to enter into this document and each Transaction Document to which it is a party, to comply with its obligations under them and exercise its rights under them;
- (c) **(no contravention)** other than as Disclosed, the entry by it into, its compliance with its obligations and the exercise of its rights under, this document and each Transaction Document to which it is a party, does not and will not conflict with:
 - (i) the AWA Constitution or cause a limitation on its powers or the powers of the AWA Board to be exceeded; or
 - (ii) any law binding on, or applicable to, AWA or its assets,
 - (iii) and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing that document;
- (d) **(authorisations)** it has taken all necessary corporate action to authorise, and has in full force and effect each authorisation necessary for, it to enter into this document and each Transaction Document to which it is a party, to comply with its obligations and exercise its rights under them, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document and each Transaction Document to which it is a party are valid and binding and are enforceable against it in accordance with their terms;
- (f) **(interests)** there is no company, partnership, trust, joint venture or other enterprise in which AWA owns, or has a material interest in;
- (g) **(reliance)** the AWA Information contained in the Scheme Booklet will be included in good faith and on the understanding that Beyond and the Beyond Directors will rely on that information for the purposes of considering and approving the Beyond Information in the Scheme Booklet before it is

despatched, approving the entry into the Deed Poll and implementing the Scheme;

- (h) **(AWA Information)** the AWA Information provided in accordance with this document for inclusion in the Scheme Booklet will not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with all applicable laws, including the requirements of the Corporations Act, the Corporations Regulations and all relevant regulatory guides and other guidelines and requirements of ASIC;
- (i) **(updates to Scheme Booklet)** it will, as a continuing obligation, ensure that the Scheme Booklet is updated to include all further or new information that arises after the Scheme Booklet has been dispatched to AWA Members prior to the Meeting Date, which is necessary to ensure that it is not misleading or deceptive (including by way of omission);
- (j) **(provision of information to Independent Expert)** all information provided by or on behalf of AWA to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report;
- (k) **(compliance)** other than as Disclosed, AWA has:
 - (i) all material licences and permits necessary for it to conduct its respective business (as presently being conducted);
 - (ii) complied, in all material respects, with all Australian laws, regulations and prudential standards applicable to it and it is not aware of any material breach of any Australian law by AWA;
 - (iii) complied, in all material respects, with all orders of Australian governmental agencies having jurisdiction over it;
- (l) **(opinions)** any statement of opinion or belief contained in the AWA Information is honestly held and there are reasonable grounds for holding the opinion or belief;
- (m) **(no default)** AWA is not in default under any document, agreement or instrument binding on it or its assets nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event or similar event, or give another party a termination right or right to accelerate any right or obligation, under any such document or agreement with such an effect;
- (n) **(securities):** AWA's issued securities as at the date of this document are as set out in Schedule 1;
- (o) **(Insolvency event)** AWA is not Insolvent;

- (p) **(no regulatory action)** other than as Disclosed, no regulatory action of any nature, of which AWA is aware, has been taken or has been threatened to be taken that would prevent or restrict its ability to fulfil its obligations under any Transaction Document; and
- (q) **(no claims)** other than as Disclosed, as at the date of this document, there are no existing or threatened claims, litigation, disputes or proceedings of which AWA is aware and which exceed or are likely to exceed \$1,500,000.

10.3 AWA's indemnity

AWA indemnifies the Beyond Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the AWA Representations and Warranties in clause 10.2 not being true and correct in all material respects.

10.4 Beyond's representations and warranties

Beyond represents and warrants to AWA (on its own behalf and separately as trustee or nominee for each of the AWA Directors) that each of the following statements is true and correct in all material respects:

- (a) **(status)** it has been incorporated or formed, and continues to validly exist, in accordance with the laws of its place of incorporation;
- (b) **(power)** it has power to enter into this document and each Transaction Document to which it is a party, to comply with its obligations under them and exercise its rights under them;
- (c) **(no contravention)** other than as Disclosed, the entry by it into, its compliance with its obligations and the exercise of its rights under, this document and each Transaction Document to which it is a party, does not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - (ii) any law binding on or applicable to it or its assets,
 - (iii) and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing that document;
- (d) **(authorisations)** it has taken all necessary corporate action to authorise, and has in full force and effect each authorisation necessary for, it to enter into this document and each Transaction Document to which it is a party, to comply with its obligations and exercise its rights under them, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document, and each Transaction Document to which it is a party, are valid and binding and are enforceable against it in accordance with its terms;

- (f) **(reasonable basis)** it has a reasonable basis to expect that it will, by the Implementation Date,
- (i) have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements, including equity and debt financing or a combination of both) to satisfy Beyond's obligations to pay the Cash Consideration; and
 - (ii) be able to duly authorise the issue and allotment of the Beyond Member Shares required to satisfy the balance of the Scheme Consideration,
- each in accordance with Beyond's obligations under this document, the Scheme and the Deed Poll;
- (g) **(Insolvency event)** no member of the Beyond Group is Insolvent;
- (h) **(Beyond Information)** the Beyond Information provided in accordance with this document for inclusion in the Scheme Booklet will not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations and all relevant regulatory guides and other guidelines and requirements of ASIC;
- (i) **(provision of information to Independent Expert)** all information provided by or on behalf of Beyond to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report;
- (j) **(no regulatory action)** other than as Disclosed, no regulatory action has been taken or has been threatened to be taken that would prevent, inhibit or otherwise have any adverse and material effect on Beyond's ability to fulfil its obligations under any Transaction Document;
- (k) **(Condition Precedent)** other than as Disclosed, it is not aware of any event or circumstance that would, or would likely, result in any Condition Precedent being breached or becoming incapable of satisfaction; and
- (l) **(FCCU Merger)** there are no matters, facts or circumstances arising from the FCCU Merger, known to Beyond, which would, or would be likely to, prevent Beyond's ability to perform its obligations under this Agreement, the Deed Poll or the Scheme.

10.5 Beyond's indemnity

Beyond indemnifies the AWA Indemnified parties against all Losses incurred directly or indirectly as a result of any of the Beyond Representations and Warranties in clause 10.4 not being true and correct in all material respects.

10.6 Reliance by parties

Each party (**Representor**) acknowledges that in entering into this document the other party relied on the representations and warranties provided to it by the Representor under this clause 10.

10.7 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 10.

10.8 Status of representations and warranties

Each representation and warranty in this clause 10:

- (a) is severable;
- (b) will survive the termination of this document; and
- (c) is given with the intent that liability under it will not be confined to breaches that are discovered prior to the date of termination of this document.

11. Termination

11.1 Termination events

This document may be terminated:

- (a) **(End Date)** by either party, if the Scheme has not become Effective on or before the End Date;
- (b) **(material breach)** by either Beyond or AWA at any time prior to 8.00am on the Second Court Date, if the other is in material breach of a term of this document (provided that if the breach involves any representation and warranty not being true and correct the amount of any Warranty Claim (alone or in aggregate) is reasonably assessed by the non-defaulting party to be no more than \$1,500,000), provided that Beyond or AWA (as the case may be) has, if practicable, given notice to the other setting out the relevant circumstances and the relevant circumstances continue to exist five Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the time such notice is given;
- (c) **(Competing Transaction)** by AWA at any time prior to 8.00am on the Second Court Date, if the AWA Board determines that a Competing Transaction, that was not solicited, invited, encouraged or initiated in breach of clause 9, is a Superior Proposal;
- (d) **(failure of Conditions Precedent)** in the circumstances set out in clause 3.4;

- (e) **(Regulatory Approval)** by either party, if a court or Regulatory Authority takes any action that is reasonably likely to prevent, permanently restrain or materially hinder the Scheme reaching Implementation, and the action has become final and cannot be appealed or reviewed;
- (f) **(Statutory Transfer)** by either party, if it becomes aware of any fact, matter or circumstance which indicates that the Statutory Transfer is unlikely to proceed (including without limitation due to any regulatory matter, or any timeframe or provision of the Alliance Agreement);
- (g) **(AWA Prescribed Event)** by Beyond at any time before the End Date if an AWA Prescribed Event occurs;
- (h) **(Beyond Prescribed Event)** by AWA at any time before the End Date if a Beyond Prescribed Event occurs;
- (i) **(lack of support)** subject always to clauses 6.1(b) and 6.1(c) by Beyond at any time prior to 8.00am on the Second Court Date if:
 - (i) any AWA Director fails to recommend the Scheme or changes its recommendation to the Scheme Participants that they vote in favour of the resolution to approve the Scheme, including any adverse modification to its recommendation, unless the Independent Expert has determined that the Scheme is not in the best interests of AWA Members and there is no Superior Proposal;
 - (ii) any AWA Director states that they do not intend to vote in favour of the Scheme in respect of AWA Member Shares that they own or control; or
 - (iii) any AWA Director otherwise makes a public statement indicating that they no longer support or recommend the Scheme, or recommending, supporting or endorsing another transaction (including any Competing Transaction); or
- (j) **(agreement)** if agreed to in writing by Beyond and AWA.

11.2 Termination

Where a party has a right to terminate this document, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this document.

11.3 Effect of Termination

If this document is terminated by either party, or if this document otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this document, other than the obligations set out in this clause and in clauses 11 (Termination), 12 (Public announcements), 13 (Confidentiality), 14 (Notices), 15 (GST), 16 (Costs), 17 (General) and 18 (Governing law) will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in

this clause releases any party from liability, under any applicable law, for any pre-termination breach of this document.

12. Public announcements

12.1 Required disclosure

- (a) Where a party is required by any applicable law to make an announcement or disclosure in connection with the Scheme, the party must:
 - (i) use all reasonable endeavours, to the extent possible, to consult with the other party on the content of any announcement or disclosure prior to making the relevant disclosure; and
 - (ii) to the extent that the announcement or disclosure would require disclosure of Confidential Information, comply with the terms of the Confidentiality Agreement.
- (b) Nothing in clause 12 (or the Confidentiality Agreement) requires the giving of prior notice, or the taking of any action, if doing so would lead to a party breaching an applicable law.

12.2 Other announcements

Subject to clause 12.1, no party may make any public announcement or disclosure in connection with the Scheme (including disclosure to a Regulatory Authority) other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

13. Confidential Information and Privacy

13.1 Disclosure of Confidential Information

- (a) Each party acknowledges and agrees that it continues to be bound by the Confidentiality Agreement in respect of all Confidential Information, before and after the date of this document.
- (b) A requirement under this document to provide information to a Third Party must be read subject to the Confidentiality Agreement (including to the extent that this results in reading down any obligation in this document to provide such information). Any information so provided remains subject to the terms of the Confidentiality Agreement and must be dealt with in accordance with any information handling protocols referred to in the Confidentiality Agreement (and the party providing such information must ensure that the Third Party complies with those protocols).

- (c) Nothing in this clause 13.1 prevents a party from complying with an express obligation in this document (including in relation to the provision of information to a Regulatory Authority or in the Scheme Booklet).

13.2 Privacy

Beyond must not make improper use or disclosure of any information obtained in the course of planning for or implementing the Scheme, about the affairs of a customer or member of AWA, the use of disclosure of which information is regulated by the Privacy Act, the *Australian Privacy Principles* (established under the Privacy Act) or the *Privacy (Credit Reporting) Code 2014*.

14. Notices and other communications

14.1 Form

- (a) Unless this document expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing, in English, addressed to a party in accordance with its details set out in the Party Details and signed by the sender (if an individual) or an Authorised Officer of the sender.
- (b) All communications (other than email communications) must also be marked for the attention of the person referred to in the Party Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).
- (c) Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

14.2 Delivery

Communications must be:

- (a) delivered personally at the address referred to in the Party Details; or
- (b) sent by regular ordinary post to the address referred to in the Party Details if sent within Australia; or
- (c) sent by airmail to the address referred to in the Party Details if sent to a place outside Australia; or
- (d) sent by airmail to the address referred to in the Party Details if sent from a place outside Australia; or
- (e) sent by email to the address referred to in the Party Details,

and where communications are delivered or sent by a method in (a), (b), (c) or (d), a copy must also be sent by email.

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

14.3 When effective

Communications take effect from the time they are received or taken to be received under clause 14.4 (whichever happens first) unless a later time is specified in the communication.

14.4 When taken to be received

Communications are taken to be received:

- (a) if delivered by hand to the address set out in the Party Details, when delivered to that address;
- (b) if sent from a place within Australia by regular post to the address set out in the Party Details which is an address that is within Australia, at 9.00am on the sixth Business Day after the date of posting;
- (c) if sent from a place within Australia by airmail to the address set out in the Party Details which is an address outside Australia, at 9.00am on the 10th Business Day after the date of posting;
- (d) if sent from a place outside Australia by airmail to the address set out in the Party Details which is an address outside Australia, at 9.00am on the 12th Business Day after the date of posting;
- (e) if sent by email to the email address set out in the Party Details, when the email (including any attachment) is sent to the receiving party at that email address, unless the sending party receives a notification of delivery failure within 24 hours of the email being sent.

14.5 Receipt outside business hours

Despite anything else in this clause 14, if communications are received or taken to be received under clause 14.4 after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Party Details as the address of the recipient and the time of receipt is the time in that place.

15. GST

15.1 Definitions and interpretation

For the purposes of this clause:

- (a) a term which has a defined meaning in the GST Act has the same meaning when used in this clause, unless the contrary intention appears; and
- (b) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

15.2 GST exclusive

Unless this document expressly states otherwise, all consideration to be provided under this document is exclusive of GST.

15.3 Payment of GST

- (a) If GST is payable or notionally payable on a supply in connection with this document, the party providing the consideration for the supply agrees to pay to the supplier an additional amount equal to the amount of GST payable on that supply ('**GST Amount**').
- (b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

15.4 Adjustment events

If an adjustment event arises for a supply made in connection with this document, the GST Amount must be recalculated to reflect that adjustment. The supplier or the recipient (as the case may be) agrees to make any payments necessary to reflect the adjustment and the supplier agrees to issue an adjustment note.

15.5 Reimbursements

Any payment, indemnity, reimbursement or similar obligation that is required to be made in connection with this document which is calculated by reference to an amount paid by another party must be reduced by the amount of any input tax credits which the other party (or the Representative Member of any GST group of which the other party is a member) is entitled. If the reduced payment is consideration for a taxable supply, clause 15.3 will apply to the reduced payment.

16. Costs

16.1 Costs

The parties agree to pay their own Costs in connection with the preparation, negotiation, execution and completion of this document, except for amounts covered by clause 16.2.

16.2 Stamp duty and registration fees

- (a) Beyond:
- (i) agrees to pay or reimburse to AWA all stamp duty and registration fees payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including the Statutory Transfer), including any fees, fines, penalties and interest in connection with any of those amounts; and
 - (ii) indemnifies AWA against, and agrees to reimburse and compensate it for, any liability in respect of the stamp duty payable under clause 16.2(a)(i).
- (b) However, Beyond need not pay, reimburse or indemnify against any fees, fines, penalties or interest to the extent they have been imposed because of the delay of AWA or its Representatives.

17. General

17.1 Variation and waiver

A provision of this document, or right, power or remedy created under it, may not be varied or waived except in writing signed by the party to be bound.

17.2 Consents, approvals or waivers

By giving any approval, consent or waiver a party does not give any representation or warranty as to any circumstance in connection with the subject matter of the consent, approval or waiver.

17.3 Discretion in exercising rights

Unless this document expressly states otherwise, a party may exercise a right, power or remedy or give or refuse its consent, approval or a waiver in connection with this document in its absolute discretion (including by imposing conditions). For the avoidance of doubt, a failure to exercise or a delay in exercising any right, power or remedy under this document does not operate as a waiver.

17.4 Partial exercising of rights

Unless this document expressly states otherwise, if a party does not exercise a right, power or remedy in connection with this document fully or at a given time, they may still exercise it later. For the avoidance of doubt, a single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

17.5 Conflict of interest

Each party may exercise their rights, powers and remedies in connection with this document even if this involves a conflict of duty or they have a personal interest in their exercise.

17.6 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

17.7 Indemnities and reimbursement obligations

Any indemnity, reimbursement or similar obligation in this document.

- (a) Is severable;
- (b) is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this document, any settlement or any other thing;
- (c) is independent of any other obligations under this document; and
- (d) continues after this document, or any obligation arising under it, ends.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity in connection with this document.

The rights and obligations of the parties will not merge once the Scheme reaches completion. They will survive the execution and delivery of any assignment or other document entered into for the purpose of this document.

17.8 Inconsistent law

To the extent the law permits, this document prevails to the extent it is inconsistent with any law.

17.9 Supervening law

Any present or future law which operates to vary the obligations of a party in connection with this document with the result that another party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

17.10 Counterparts

This document may consist of a number of copies, each signed by one or more parties to it. If so, the signed copies are treated as making up a single document and the date on which the last counterpart is executed is the date of the document.

17.11 Entire agreement

Except as expressly state otherwise in this document, this document (together with the Transaction Documents) constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

17.12 Further steps

Each party agrees to do anything (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed), which the other party asks and considers necessary to:

- (a) bind the party and any other person intended to be bound under this document;
or
- (b) show whether the party is complying with this document.

17.13 Severability

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this document or is contrary to public policy.

17.14 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

17.15 Assignment

A party may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the written consent of the other party.

17.16 Enforceability

For the purpose of this document:

- (a) AWA is taken to be acting as agent and trustee on behalf of and for the benefit of all AWA Indemnified parties; and
- (b) Beyond is taken to be acting as agent and trustee on behalf of and for the benefit of all Beyond Indemnified parties,

and all of those persons are to this extent taken to be parties to this document.

17.17 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into the document, except for representations or inducements expressly set out in this document; and
- (b) it does not enter into this document in reliance on any representation or other inducement by, or on behalf of, any other party, except for any representation or inducement expressly set out in this document.

17.18 Amendment

This document may be amended only by another agreement executed by the parties.

18. Governing law

18.1 Governing law and jurisdiction

The law in force in the place specified in the Party Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

18.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered to, or left at, that party's address for service of notices under clause 14.2.

Schedule 1 AWA Securities

Security	Number
Fully paid redeemable preference shares (AWA Member Shares)	3,993 (as at 31 August 2023)

Schedule 2 Timetable (clause 5.1)

Timetable remains subject to availability of the Court.

Event	Date
End Transfer Notice to be given by AWA to Bendigo under Alliance Agreement	Within 5 Business Days of execution of this Agreement.
Statutory Transfer: Lodgement of the following with APRA to be completed: <ul style="list-style-type: none"> • First joint letter to APRA (Bendigo and Beyond) • Second letter to APRA (Beyond) • Section 19 Statement • Section 20 Statement 	Within 20 Business Days of AWA providing the End Transfer Notice
Lodge Scheme Booklet (Regulator's Draft) with ASIC	1 November 2023
ASIC exposure period ¹	1 November 2023 to 15 November 2023
File originating process with basic affidavit (including scheme documentation (including Scheme Booklet) with the Court and serve on ASIC	6 November 2023 (we can extend this date if required)
Receipt of APRA feedback	Prior to First Court Date
Beyond to execute Deed Poll	Prior to First Court Date
File affidavits in support of application with the Court (including Scheme Booklet, APRA approval (and conditions) and Deed Poll) and submissions	20 November 2023
File any further affidavit regarding ASIC's confirmation that it does not intend to appear at First Court Hearing	30 November 2023
First Court Date	1 December 2023 ²
Despatch of Scheme Booklet	No later than 2 January 2023
Scheme Meeting and General Meeting held	29 January 2024 ³
Statutory Transfer: Lodge second joint letter to APRA	On the Business Day immediately following the General Meeting ⁴
APRA Approval provided	13 February 2023

Event	Date
File with the Court further Affidavits to be relied on at the Second Court Hearing	14 February 2024
ASIC to provide no objection statement	14 February 2024
Second Court Date	15 February 2024 ⁵
Lodge Court order with ASIC (Effective Date)	16 February 2024 (Or no later than the next Business Day after receipt of Court order)
Scheme Record Date	23 February 2024 (Or 5.00pm on the fifth Business Day following the Effective Date, or such other date as AWA and Beyond agree)
Implementation Date	12.00AM 1 March 2024 (Or such other date following the Scheme Record Date, agreed by the parties and approved by the Court)

Notes:

1. ASIC's usual practice is 14 days, however ASIC is able to take longer, particularly if there are requisitions.
2. First Court Date is subject to: (a) any ASIC requisitions in respect of the Regulator's Draft or the Scheme having been satisfactorily deal with; (b) Court availability and confirmation by the Court registry; and (c) receipt of ASIC letter of intention.
3. Or such other date approved by the Court.
4. Assumes requisite shareholder approval is obtained.
5. Subject to Court availability and confirmation by the Court registry, noting this may not coincide with the Court sittings in the new legal year 2024.

Schedule 3 Prescribed Events

1. AWA Prescribed Events

- (a) **(distribution)** AWA makes or declares, or announces an intention to make or declare, any financial distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (b) **(constitution)** AWA adopts a new constitution or shareholders agreement or modifies or repeals its constitution or a provision of it (other than as contemplated in this agreement);
- (c) **(disposals)** AWA disposes, or agrees to dispose, of the whole or a material part of its business or property;
- (d) **(commitments and settlements)** other than in the ordinary course of business or consistent with past practice, AWA:
 - (i) enters into any contract or commitment involving revenue or expenditure of more than, or the acquisition or disposal of assets and good and services with a value greater than \$1,500,000 (individually or in aggregate) over the term of the contract or commitment;
 - (ii) waives any Third Party default (relating to an amount in excess of \$2,500,000); or
 - (iii) accepts as a settlement or compromise of a material matter (relating to an amount in excess of \$2,500,000) less than the full compensation due to AWA;
- (e) **(Material contract)** AWA amends, varies or terminates any material contract (including the Alliance Agreement, enters into any new material contract, or agrees to do any of those things);
- (f) **(claim)** a claim, dispute or litigation is brought against AWA (or any Officer of it), which is likely to result in an adverse effect on AWA or person in excess of \$1,500,000 (net of any amount covered by insurance), or which may result in a criminal penalty being imposed, or which may result in the loss of or a condition being imposed on any licence or registration, or which is otherwise material to AWA's business;
- (g) **(Encumbrances)** other than in the ordinary course of business or consistent with past practice, AWA creates, or agrees to create, any Encumbrance over, or declares itself the trustee of, the whole or a material part of its business or property;
- (h) **(cessation)** AWA ceases (or threatens to cease) to carry on business or is deregistered or otherwise dissolved, and otherwise disregarding the intention of any party with respect to the period after the Implementation Date; or

- (i) **(Insolvency)** AWA becomes Insolvent.

2. Exclusions

An AWA Prescribed Event does not include an event described in clause 1 of this Schedule 3:

- (a) to the extent it has been Disclosed;
- (b) to the extent that it is required or contemplated by this document or by the Scheme; or
- (c) to the extent that AWA has first consulted with Beyond in relation to the event for the purposes of this clause and Beyond has approved the proposed event (acting reasonably).

3. Beyond Prescribed Events

- (a) **(distribution)** any Beyond Group Member makes or declares, or announces an intention to make or declare, any financial distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (b) **(constitution)** any Beyond Group Member adopts a new constitution or shareholders agreement or modifies or repeals its constitution or a provision of it;
- (c) **(disposals)** any Beyond Group Member disposes, or agrees to dispose, of the whole or a material part of its business or property;
- (d) **(commitments and settlements)** other than in the ordinary course of business or consistent with past practice, any Beyond Group Member:
 - (i) enters into any contract or commitment involving revenue or expenditure, or the acquisition or disposal of assets and goods and services with a value greater than \$1,500,000 (individually or in aggregate) over the term of the contract or commitment;
 - (ii) waives any Third Party default (relating to an amount in excess of \$1,500,000); or
 - (iii) accepts as a settlement or compromise of a material matter (relating to an amount in excess of \$1,500,000) less than the full compensation due to an Beyond Group Member;
- (e) **(Material Contract)** any Beyond Group Member amends, varies or terminates, a Material Contract, or enters into any new material contract which would prevent Beyond from performing any material obligation under this Agreement or implementing the Scheme, or agrees to do any of those things;
- (f) **(claim)** a claim, dispute or litigation is brought against any Beyond Group Member (or any Officer of an Beyond Group Member), which is likely to result in an adverse effect on the Beyond Group Member or person in excess of

\$1,500,000 (net of any amount covered by insurance), or which may result in a criminal penalty being imposed, or which may result in the loss of or a condition being imposed on any licence or registration, or which is otherwise material to the Beyond Group;

- (g) **(licensing)** a material condition is imposed on any licence or registration held by an Beyond Group Member which is likely to result in an adverse effect on the Beyond Group Member or the Beyond Group Member's ability to conduct its business in the ordinary course;
- (h) **(Encumbrances)** other than in the ordinary course of business or consistent with past practice, an Beyond Group Member creates, or agrees to create, any Encumbrance over, or declares itself the trustee of, the whole or a material part of its business or property;
- (i) **(cessation)** a Beyond Group Member ceases (or threatens to cease) to carry on business or is deregistered or otherwise dissolved; or
- (j) **(Insolvency)** a Beyond Group Member becomes Insolvent.

4. Exclusions

A Beyond Prescribed Event does not include an event described in clause 3 of this Schedule 3:

- (a) to the extent that it is required or contemplated by this document or by the Scheme; or
- (b) to the extent that Beyond has first consulted with AWA in relation to the event for the purposes of this clause and AWA has approved the proposed event (acting reasonably).

Schedule 4 Material Contracts

No	Contract
1	<p>Cuscal Ltd</p> <p>All existing contracts at the date of this Agreement between Beyond and Cuscal Ltd.</p> <p>(Cuscal Ltd supplies Beyond with rights to member cheques, Redi and Visa cards in Australia and provides services in the form of settlement with bankers for member cheques, electronic funds deposit, and Visa card transactions and provides the link for all member electronic funds transactions to the computer bureau which services Beyond. Beyond is a shareholder in Cuscal Ltd.)</p>
2	<p>Data Action Pty Ltd</p> <p>All existing contracts at the date of this Agreement between Beyond and Data Action Pty Ltd (Data Action) which relate to the provision of computing services to Beyond.</p> <p>(Beyond is a shareholder in Data Action, the computer bureau which provides Beyond with a range of computing services.)</p>
3	<p>Allianz Insurance Ltd</p> <p>All existing contracts at the date of this Agreement between Beyond and Allianz insurance Ltd (Allianz) which relate to or enable the offering of insurance products issued by Allianz, to Beyond Members.</p> <p>(Beyond is an agent of Allianz for the purpose of offering their specialised range of insurance products to Beyond Members.)</p>
4	<p>Network Solutions Group Pty Ltd (NetSG)</p> <p>All existing contracts at the date of this Agreement between Beyond and NetSG pursuant to which NetSG provides network services to Beyond.</p>
5	<p>QBE Lenders Mortgage Insurance Limited Pty Ltd (QBE)</p> <p>All existing contracts at the date of this Agreement between Beyond and QBE which relate to or enable the offering of lenders' mortgage insurance products issued by QBE, to Beyond Members.</p> <p>(Beyond is an agent of QBE Lenders' Mortgage Insurance Limited for the purpose of offering QBE's lenders mortgage insurance products to Beyond Members.)</p>

Schedule 5 Beyond's post-Scheme obligations

Part A Members and products

1. MEMBER VALUE PROPOSITION AND PRICING

The following principles will guide the approach to treatment of AWA Member financial product holdings:

- 1.1 AWA Members at Implementation Date: existing product pricing (deposits and loans) to be transitioned as is (i.e., existing fee waivers remain).
- 1.2 AWA Members at Implementation Date: new products post-Implementation Date to be at Beyond pricing with local discretions to align with existing AWA pricing arrangements.
- 1.3 New members: new products to be at Beyond pricing (i.e., including fees).

2. HOME LENDING

Beyond agrees to the following approach to treatment of AWA Member home loan products:

- 2.1 AWA Members at Implementation Date: existing lending – total Home Loan package fee waived permanently.
- 2.2 AWA Members at Implementation Date: new or increased lending post-Implementation Date – package fee waived for the first 3 years post-merger.
- 2.3 New members, new lending – total Home Loan package fee applies if applicable.

3. TERM DEPOSITS

Term Deposits of AWA Members at Implementation Date will remain on the same terms and conditions until the existing term deposit period expires and will only change on renewal.

4. LIFE MEMBER

AWA Members at Implementation Date of 20+ years will be offered Life Member status giving them access to the associated benefits as per the product eligibility, terms and conditions of the life membership program.

Part B Branches

1. BRANCHES

Beyond covenants as follows:

- 1.1 Geelong, Victoria – the operations of the office at 49-51 Malop Street, Geelong VIC 3220 will be retained.

- 1.2 Portland, Victoria – a branch will be established in a prominent position in the city centre of Portland. The aim will be to establish a broader community presence. The operations at Point Danger, Portland will remain and be maintained under an agency arrangement to ensure that the former AWA members are able to access financial services on site. The agency will be maintained for as long as the Portland aluminium smelter remains in operation and where access to premises continues to be granted. Operating hours will be subject to ongoing review based on demand for services.
- 1.3 Mandurah WA - the site will be consolidated with the current Beyond site.

Part C Community and Philanthropic Partners

The principles contained in this Part C will guide the approach to treatment of community and philanthropic partnerships.

Subject to legal requirements, arrangements entered into with existing partners of AWA will be in a no worse off position and financial distributions will continue.

1. Philanthropic partners

- 1.1 Existing philanthropic contributions currently paid by AWA as sponsorships, partnerships and grants will continue to be made by BBA, however these may transition in time to a mutually beneficial partnership model with an alternate payment vehicle (i.e., Foundation) and form (i.e., grants, sponsorship, donation) but will not fall below the current payment amounts for each recipient. This will be maintained for a period of 3 years and will be reviewed based on business performance.
- 1.2 BBA will establish a new community support and DGR (deductible gift recipient) sub-fund for the Geelong Region with the same structure as those that BBA has created for other regions. Portland and Mandurah will integrate with existing funds in those regions.
- 1.3 BBA will contribute \$200,000.00 initially into the new community support sub-fund to support the Geelong, Bellarine and Surf Coast Region Community Partnerships Program, with the aim of further annual contributions based on BBA's post-merger net profit after tax and the business performance of this region. These funds may be allocated on the basis of the geographic location of (former) AWA members.
- 1.4 New philanthropic partners and additional payments will adopt BBA's existing frameworks.

2. SHARED VALUE COMMUNITY PARTNERS

- 2.1 It is intended that current revenue share contributions will be provided on a basis of 20 basis points of the combined deposit and Net Loan portfolio of the community partner (including the customers who have nominated that particular community partner for support).
- 2.2 Current community partners that exceed the 20 basis points arrangement (currently 3 partners) will be varied to ensure no community partner is disadvantaged from current agreements post-merger.

- 2.3 No other upfront or spotter fees will be payable.
- 2.4 BBA confirm agreement to continuation of social impact loan arrangements and intends to incorporate this offering more broadly into its community offering into the future.
- 2.5 New community partners who enter into a community partnership contract with BBA will be paid 20 basis points of the combined deposit and Net Loan portfolio of the organisation (including the customers who have nominated that particular community partner for support).
- 2.6 New social impact loans will be subject to BBA's credit appetite and policy.
- 2.7 All arrangements will be entered into in accordance with legal and regulatory requirements.

For the purposes of this Schedule, "**Net Loans**" means the gross outstanding balance of the loans made to customers less provision for doubtful debts.

3. RECOGNITION OF AWA AND ALCOA HERITAGE

BBA will work with AWA in determining the best way for the merged organisation to acknowledge and value the contribution of AWA in its 54 years in operations. It is expected this would exist with the Community and / or Foundation parts of BBA's operations.

Schedule 6 Employee arrangements

1. Prior to the Implementation Date and conditional upon the Scheme becoming Effective, Beyond must make written offers of employment to all AWA employees, which offers should be on terms and conditions substantially similar to, and considered on an overall basis, no less favourable than, those in place with AWA immediately before the termination of employment with AWA and that recognises the worker's service with AWA for the purposes of all leave entitlements and also redundancy pay, subject to any reasonable changes in position, job description, duties and / or work location arising from the Scheme.
2. If an AWA employee does not accept Beyond's above offer, AWA (or Beyond on behalf of AWA) will pay a Redundancy Payment to him or her.
3. If a member-facing AWA employee accepts Beyond's above offer, he or she will have 6 months from the Implementation Date to decide whether the employment is suitable. If during this 6-month period the employee chooses to not continue in the role then Beyond pay a Redundancy Payment to him or her.
4. If an AWA employee in a key management role accepts Beyond's above offer, he or she will have 6 months from the computer systems integration (TAS/UDA to DA CBS) or such other period of time (as agreed between the individual and BBA), to decide whether the employment is suitable. If during the agreed period the employee chooses to not continue in the role then Beyond will pay a Redundancy Payment to him or her.
5. If an AWA employee accepts Beyond's above offer for a role not directly comparable with his or her role at AWA immediately before the Implementation Date, he or she will have 6 months from computer systems integration to decide whether the employment is suitable. If during this period the employee chooses to not continue in the role then Beyond will pay a Redundancy Payment to him or her.
6. For AWA staff that take redundancy, Beyond will provide outplacement support via a professional outplacement service provider.
7. The then current CEO of Beyond shall remain the CEO of Beyond on and from the Implementation Date.
8. The CEO of AWA will be offered an executive role at Beyond.
9. The parties will prepare and implement a detailed staff transition, training, development and support plan for all transferring AWA employees to assist in their assimilation into Beyond.

For the purposes of this Schedule 6:

Redundancy Payment means an amount that is the greater of an amount worked out under:

- (a) Fair Work Act 2009 s 119; or
- (b) any applicable Modern Award or enterprise agreement; or
- (c) the employee's individual employment contract with AWA.

Signing page

Executed as an agreement

Executed by AWA Mutual Limited ACN 087 651 652 in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)

Date

Date

Executed by Beyond Bank Australia Limited ACN 087 651 143 in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)

Date

Date

Annexure A Scheme of Arrangement

Annexure A Scheme of Arrangement

Party Details

AWA	Name	AWA Mutual Limited
	ACN	087 651 652
	Formed In	Australia
	Address	49-51 Malop Street, Geelong VIC 3220
	Email	gavin@awaab.com.au
	Attention	Gavin Heathcote
	Scheme Participants	Each person registered as a holder of an AWA Member at the Scheme Record Date
Governing law	New South Wales, Australia	

General Terms

1. Definitions and interpretation clauses

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ACCC	means the Australian Competition and Consumer Commission.
Accrued Interest	has the meaning given to that term in clause 6.2(b).
ADI	means an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cth)).
ASIC	means the Australian Securities and Investments Commission.
AWA Member Account	means the account of a Scheme Participant, designated in AWA's banking system as the primary account for that AWA Member, and in the case of a Joint Member, shall be the AWA Member Account of the Joint Member whose name first appears in the AWA Register.
AWA Register	means the register of members of AWA maintained by or on behalf of AWA in accordance with section 168(1) of the Corporations Act.

Bendigo	means Bendigo and Adelaide Bank Limited ACN 068 049 178.
Beyond	means Beyond Bank Australia Limited ACN 087 651 143.
Beyond Member	means a person who holds a Beyond Member Share from time to time.
Beyond Member Share	means a fully paid redeemable preference share in the capital of Beyond.
Beyond Tenure Adjustment	<p>means, for Beyond Member tenure purposes, the adjustment of the membership tenure in Beyond of:</p> <ul style="list-style-type: none">(a) a Duplicate Member, such that it will be deemed to have become a Beyond Member on the first to occur of:<ul style="list-style-type: none">(i) the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date);(ii) the date that it first became a Beyond Member (provided that Beyond membership has been continuously held between that date and the Implementation Date);(b) each other Scheme Participant, such that it will be deemed to have become a Beyond Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).
Beyond Register	means the register of members of Beyond maintained by or on behalf of Beyond in accordance with section 168(1) of the Corporations Act.
Business Day	means any day for which banks are open for business in both Melbourne, Victoria and Adelaide, South Australia (not being a Saturday, Sunday or public holiday in either of those places).
Cash Consideration	means the sum of \$10.00 per Scheme Share payable pursuant to clause 6.2 of the Scheme.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Court	means the Federal Court of Australia (Melbourne registry), or such other court of competent jurisdiction under the Corporations Act agreed by the parties.
Cut-Off Time	means 8.00am on the Second Court Date.
Deed Poll	means the deed poll to be executed by Beyond prior to the First Court Date substantially in the form of Annexure B to the Merger Implementation Agreement or as otherwise agreed by Beyond and AWA under which Beyond covenants in favour of each Scheme Participant to perform its obligations under this Scheme.

Duplicate Member	means either: <ul style="list-style-type: none">(a) a Scheme Participant that is not a Joint Member that holds a Beyond Member Share at the Scheme Record Date; or(b) a Joint Member where either of the Primary Member or Secondary Member(s) holds a Beyond Bank Member Share at the Scheme Record Date.
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any 'security interest' as defined in sections 12(1) or 12(2) of the <i>Personal Property Securities Act 2009 (Cth)</i> or any agreement to create any of them or allow them to exist.
End Date	means the earliest of: <ul style="list-style-type: none">(a) the date of termination of the Merger Implementation Agreement in accordance with its terms; or(b) 30 June 2024, or such other date as is agreed in writing by Beyond and AWA.
End Transfer Products	means loan and deposit products sold by AWA and held on the balance sheet of Bendigo, including any loan assets and deposit liabilities as at the "transfer time" (as defined in the Alliance Agreement) transferred by AWA to Bendigo pursuant to Part 1 of the Alliance Agreement that are still on the balance sheet of Bendigo. End Transfer Products includes margin loans, debit cards, credit cards, non-cash payment products including direct entry credits and debits.
First Court Date	means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard.
Immediately Available Funds	means a bank cheque or other form of cleared funds acceptable to AWA.
Implementation Date	means 12.00AM on 1 March 2024 (provided it is after the Scheme Record Date), or such other date following the Scheme Record Date, date agreed by the parties and approved by the Court.
Joint Member	a person that holds an AWA Member Share jointly with another person, as shown in the AWA Register.

Merger Implementation Agreement or MIA	means the merger implementation agreement dated on or around 12 September 2023 between AWA and Beyond, and amended and restated on or about 9 December 2023, under which, among other things, AWA has agreed to propose this Scheme to AWA Members, and each of AWA and Beyond has agreed to take certain steps to give effect to this Scheme.
Party Details	means the details of the parties set out at the commencement of this document.
Primary Member	means any Joint Member of AWA that is first named in the Register with respect to the relevant Joint Member, and that is not a Secondary Member.
Regulatory Authority	includes: <ul style="list-style-type: none"> (a) ACCC, ASIC, APRA, the Takeovers Panel and the ATO; (b) a government or governmental, semi-governmental or judicial entity or authority; (c) a minister (including, to avoid doubt, the Commonwealth Treasurer), department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (d) any regulatory organisation established under statute.
Scheme	means this scheme of arrangement between AWA and Scheme Participants under which all of the Scheme Shares will be transferred to Beyond under Part 5.1 of the Corporations Act as described in clauses 4 and 5 of this Scheme, subject to any amendment, condition or modification made or required pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by AWA and Beyond in accordance with clause 5 or clause 10.1 of this Scheme.
Scheme Consideration	means the consideration provided by Beyond for the transfer of Scheme Shares held by a Scheme Participant to Beyond, being, in respect of each: <ul style="list-style-type: none"> (a) Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00; (b) Scheme Share that is held jointly by a Joint Member where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date: <ul style="list-style-type: none"> (i) one Beyond Member Share to be issued to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00; and (ii) one Beyond Member Share to be issued to each other Secondary Member, taken to have been issued (and fully paid up) with a nil subscription price,

and otherwise to be issued on the same terms as all other Beyond Members Shares, subject to the Beyond Tenure Adjustment; and

- (c) Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - (i) is not a Joint Member, the Cash Consideration and (if applicable) the Beyond Tenure Adjustment; or
 - (ii) is a Joint Member and:
 - (A) where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date, the Cash Consideration will be paid to the Primary Member and the Beyond Tenure Adjustment made;
 - (B) where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00 on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment.

- Scheme Meeting** means the meeting or meetings of AWA Members ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act, at which AWA Members will vote on the Scheme, and includes any adjournment of such meeting.
- Scheme Participants** means each person who is an AWA Member at the Scheme Record Date, other than Beyond.
- Scheme Record Date** means 5.00pm on the fifth Business Day following the Effective Date or such other date as AWA and Beyond agree.
- Scheme Share** an AWA Member Share held by a Scheme Participant as at the Scheme Record Date.
- Second Court Date** means the first day on which an application made to the Court pursuant to section 411(4)(b) of the Corporations Act, for approval of the Scheme, is heard.
- Secondary Member** means a Joint Member of AWA that is not a Primary Member with respect to that Joint Member and has not paid a subscription price in respect of the AWA Member Share held by the relevant Joint Member.

Share Scheme Transfer	means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
Statutory Transfer	means a partial voluntary transfer of business by Bendigo to Beyond under the Transfer Act as regards to the End Transfer Products as existing on the date the partial voluntary transfer of business becomes effective, in accordance with the Transfer Act and the Transfer Rules.
Transfer Act	means the <i>Financial Sector (Transfer and Restructure) Act 1999</i> (Cth).
Transfer Rules	means the <i>Financial Sector (Business Transfer and Group Restructure) Determination No. 2 of 2017</i> (Cth).
Trust Account	means the trust account with an ADI operated by or on behalf of AWA nominated by AWA to hold the Cash Consideration on trust for the purpose of paying the Cash Consideration to the Scheme Participants in accordance with clause 6.2 of this Scheme.
Unclaimed Money Act	means the <i>Unclaimed Money Act 1995 (NSW)</i> .

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and the plural includes the singular;
- (a) words of any gender include all genders;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (c) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Regulatory Authority, as well as an individual;
- (d) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this agreement;
- (e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Regulatory Authority with legal power to do so);
- (f) a reference to a document (including this agreement) includes all amendments or supplements to, or replacements or novations of, that document;

- (g) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (h) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, New South Wales;
- (i) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this agreement;
- (j) a reference to a party to a document includes that party's successors and permitted assignees;
- (k) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a reference to a body (including an institute, association or authority), other than a party to this agreement, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (p) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or Third Party, or death;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (s) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and

- (t) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

2. Preliminary

2.1 AWA

AWA is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Victoria.

As at 31 August 2023, AWA's securities are 3,993 AWA Member Shares (being fully paid redeemable preference shares in the capital of AWA).

2.2 Beyond

Beyond is a public company limited by shares incorporated in Australia. Its registered address is at Level 12, 100 Waymouth Street, Adelaide SA 5000.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) all Scheme Shares will be transferred to Beyond on the Implementation Date;
- (b) AWA will enter the name of Beyond in the AWA Register in respect of all Scheme Shares transferred to Beyond in accordance with the terms of this Scheme;
- (c) each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with the provisions of this Scheme; and
- (d) it will bind AWA and all Scheme Participants, including those who do not attend the Scheme Meeting to vote on this Scheme, those who do not vote at that meeting, and those who vote against this Scheme at that meeting.

2.4 Merger Implementation Agreement

AWA and Beyond have agreed by executing the Merger Implementation Agreement to implement the terms of this Scheme on the terms and conditions of that document.

2.5 Deed Poll

Beyond has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration.

3. Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all of the conditions precedent in clause 3.1 of the Merger Implementation Agreement (**MIA**) (other than the condition precedent in clause 3.1(f) of the MIA relating to Court approval of the Scheme) having been satisfied or waived in accordance with the terms of the MIA by the Cut-Off Time;
- (b) neither the MIA nor the Deed Poll having been terminated in accordance with their terms as at the Cut-Off Time;
- (c) the Court having approved the Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are agreed to in writing between AWA and Beyond;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing between AWA and Beyond having been satisfied;
- (e) the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable section 411(6) of the Corporations Act) approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date AWA and Beyond agree in writing).

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3 Certificate in relation to conditions precedent

- (a) AWA and Beyond must each provide to the Court on the Second Court Date (and to each other) a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived as at the Cut-Off Time.
- (b) The certificate referred to in clause 3.3(a) above will constitute conclusive evidence of whether the conditions precedent in clauses 3.1(a) and 3.1(b) above have been satisfied, waived or taken to have been waived.

4. Scheme

4.1 Effective Date

Subject to clause 4.2 this Scheme will come into effect pursuant to section 411(10) of the Corporations Act, on and from the Effective Date.

4.2 End Date

Without limiting any rights under the Merger Implementation Agreement, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Merger Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless AWA and Beyond otherwise agree in writing.

5. Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

Following approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, AWA must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the Court approves this Scheme.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, but subject to:

- (a) the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.2 of this Scheme; and
- (b) Beyond having provided AWA with written confirmation by no later than 12.00pm (or such later time as AWA and Beyond agree in writing) on the Implementation Date that the Scheme Consideration (other than Cash Consideration) has been provided in the manner contemplated by clause 6.1:

the Scheme Shares, together with all rights attaching to them as at the Implementation Date, will be transferred to Beyond without the need for any further act by any Scheme Participant (other than acts performed by AWA or its officers as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:

- (c) AWA delivering to Beyond a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants; and
- (d) Beyond duly executing the Share Scheme Transfer, attending to the stamping of the Share Scheme Transfer (if required) and delivering it to AWA for registration; and

as soon as practicable after receipt of the duly executed Share Scheme Transfer, but subject to the stamping of the Share Scheme Transfer (if required), AWA must enter, or procure the entry of, the name of Beyond in the AWA Register in respect of all Scheme Shares transferred to Beyond in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Beyond of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme and the Deed Poll.

5.4 Title and rights in AWA Member Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, Beyond will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by AWA of Beyond in the AWA Register as the holder of the Scheme Shares.

5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant:

- (a) agrees to the transfer of their Scheme Shares, together with all rights attaching to them, in accordance with the terms of this Scheme; and
- (b) shall be deemed to have applied, for the purposes of rule 3.1 of the Beyond Constitution, for each Beyond Member Share to be issued to it as Scheme Consideration.

5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to Beyond and is deemed to have authorised AWA to warrant to Beyond as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all of their Scheme Shares (including all rights attaching to them) transferred to Beyond under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances, or any other third-party interest, or restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including all rights attaching to them) to Beyond under the Scheme,

and AWA undertakes that it will provide such warranty to Beyond as agent and attorney of each Scheme Participant.

5.7 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including all rights attaching to them) which are transferred to Beyond under this Scheme will, at the date of the transfer of them to Beyond, vest in Beyond free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.8 Appointment of Beyond as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.1 of this Scheme, on and from the Implementation Date until AWA registers Beyond as the holder of all of the Scheme Shares in the AWA Register, each Scheme Participant:

- (a) irrevocably appoints AWA as attorney and agent (and directs AWA in such capacity) to appoint Beyond and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable, corporate representative to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as Beyond reasonably directs.

AWA undertakes in favour of each Scheme Participant that it will appoint Beyond and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8 of this Scheme.

6. Scheme Consideration

6.1 Provision of Scheme Consideration other than Cash Consideration

Beyond must:

- (a) before 12.00pm (or such later time as AWA and Beyond may agree in writing) on the Implementation Date (and in accordance with this Scheme and the Deed Poll):
 - (i) in respect of each Scheme Share that is not held by a Joint Member (that is not also a Duplicate Member), issue one Beyond Member Share taken to have been issued (and fully paid up) at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - (ii) in respect of each Scheme Share that is held by a Joint Member, where neither the Primary Member nor the Secondary Member(s) holds a Beyond Bank Member Share on the Scheme Record Date:
 - (A) issue one Beyond Member Share to the Primary Member, taken to have been issued (and fully paid up) at the subscription price of \$10.00 each, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment; and
 - (B) issue one Beyond Member Share to the each other Secondary Member, taken to have been issued (and fully paid up) with a nil

subscription price, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;

- (iii) in respect of each Scheme Share that is held by a Duplicate Member, where that Duplicate Member is a Joint Member, and where only the Secondary Member of the Joint Member holds a Beyond Bank Member Share at the Scheme Record Date, the Primary Member of that Joint Member will be issued with one New Beyond Bank Member Share, taken to have been issued (and fully paid up) at the subscription price of \$10.00, on the same terms as all other Beyond Bank Member Shares, subject to the Beyond Tenure Adjustment;
 - (iv) and procure that the name and address of each Scheme Participant entitled to receive a new Beyond Member Share as Scheme Consideration is entered in the Beyond Register as the holder of the applicable new Beyond Member Shares with the same holding name and address and other details as the holding of the Scheme Share being transferred;
- (b) no later than two Business Days after the Implementation Date, send or procure the dispatch to the registered address of each Scheme Participant, a holding statement (or equivalent document) representing the new Beyond Member Shares issued to that Scheme Participant;
 - (c) ensure that the new Beyond Member Shares issued, at the time they are issued:
 - (i) have the rights set out in the Beyond Constitution;
 - (ii) rank equally in all respects among themselves and with all other Beyond Member Shares on issue;
 - (iii) are fully paid (to the amounts specified in the applicable Scheme Consideration), duly and validly issued in accordance with all applicable laws and free from any Encumbrance; and
 - (d) ensure that, for membership tenure purposes, the Beyond Tenure Adjustment is recognised in the Beyond Register such that each Scheme Participant (other than a Duplicate Member) shall be recognised to have become a Beyond Member on the date that it first became an AWA Member (provided that AWA membership has been continuously held between that date and the Implementation Date).

6.2 Payment of Cash Consideration

- (a) The obligation of Beyond to pay or procure payment of the Cash Consideration pursuant to clause 5.3 of this Scheme is satisfied by Beyond, no later than 3 Business Days before the Implementation Date, depositing (or procuring the deposit of) in Immediately Available Funds the aggregate amount of the Cash Consideration payable to all Scheme Participants that are Duplicate Members into the Trust Account, such amount to be held by AWA on trust for those

Duplicate Members for the purposes of paying the Cash Consideration to them in accordance with clause 6.2(c) of this Scheme.

- (b) The amount of any interest (less any bank fees and other charges) on the amount deposited in the Trust Account will be to Beyond's account (**Accrued Interest**).
- (c) On the Implementation Date, subject to receipt of the Cash Consideration from Beyond in accordance with clause 6.2(a) of this Scheme, AWA must pay (or procure the payment) from the Trust Account, an amount equal to the Cash Consideration to each holder of a Scheme Share that is held by a Duplicate Member, where that Duplicate Member:
 - (i) is not a Joint Member; or
 - is a Joint Member where the Primary Member of the Joint Member (regardless of the holding of the Secondary Member) holds a Beyond Bank Member Share at the Scheme Record Date.
- (d) Unless otherwise directed by a Scheme Participant before the Scheme Record Date, the amounts referred to in clause 6.2(c) of this Scheme must be paid by direct credit to the AWA Member Account or by sending a cheque drawn on an Australian bank in Australian currency on the Implementation Date to the Scheme Participant by pre-paid regular post to their address shown in the AWA Register as at 7.00 pm on the Scheme Record Date (or in the case of joint holders, in accordance with clause 6.6).
- (e) If:
 - (i) a Scheme Participant does not have an AWA Member Account or an address recorded in the AWA Register, or AWA as trustee for the Scheme Participants believes that a Scheme Participant is not known at the Scheme Participant's registered address; or
 - (ii) a cheque for the purposes of clause 6.2(d) has been cancelled in accordance with clause 6.3(a),

AWA as the trustee for the Scheme Participants may credit the amount payable to the relevant Scheme Participant to a separate bank account of AWA (**Separate Account**) to be held until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. If the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act. Until such time as the amount is dealt with in accordance with the Unclaimed Money Act, AWA must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of Beyond. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Participant when credited to the Separate Account or Trust Account (as applicable). AWA must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (f) To the extent that there is a surplus in the amount held by AWA as the trustee for the Scheme Participants in the Trust Account, that surplus may be paid by AWA as the trustee for the Scheme Participants to Beyond following the satisfaction of AWA's obligations as the trustee for the Scheme Participants under this clause 6.2.
- (g) AWA must pay any Accrued Interest to any account nominated by Beyond following satisfaction of AWA's obligations under this clause 6.2.

6.3 Unclaimed monies

- (a) AWA may cancel a cheque issued under clause 6.2 of this Scheme if the cheque:
 - (i) is returned to AWA; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Participant to AWA, AWA must reissue a cheque that was previously cancelled under clause 6.3(a).
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the Unclaimed Money Act).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Beyond.

6.4 Orders of a court or Regulatory Authority

In the case of notice having been given to AWA of an order or direction made by or requirement of a court of competent jurisdiction or by another Regulatory Authority:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to, or required to be issued to, that Scheme Participant in accordance with this clause 6 of this Scheme, then AWA must procure that payment is made in accordance with that order or direction; or
- (b) which would prevent AWA from dispatching payment to any particular Scheme Participant in accordance with clause 6.2 of this Scheme, or such payment is otherwise prohibited by applicable law, AWA must retain an amount, in Australian dollars, equal to the Cash Consideration due to the relevant Scheme Participant until such time as payment in accordance with clause 6.2 of this Scheme is permitted by that order or direction or otherwise by law,

and the payment or retention by AWA (or its registry) will constitute the full discharge of AWA's obligations under clause 6.2(c) with respect to the amount so paid or retained until, in the case of clause 6.4(b), it is no longer required to be retained.

6.5 Withholding

- (a) If AWA determines, having regard to legal advice, that Beyond is either:
- (i) required by law to withhold any amount from a payment to a Scheme Participant; or
 - (ii) liable to pay an amount to the Commissioner of Taxation under section 14-200 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* (amounts required to be paid for CGT non-resident withholding) in respect of the acquisition of Scheme Shares from a Scheme Participant,

then Beyond is entitled to withhold the relevant amount before making the payment to the Scheme Participant (and payment of the reduced amount is to be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 6.2).

- (b) Beyond must pay any amount so withheld to the relevant taxation authority within the time permitted by law, and, if requested in writing by the relevant Scheme Participant, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment to the relevant Scheme Participant.

6.6 Joint Holders

- (a) Any Cash Consideration payable to a Joint Member is payable to and must be forwarded to the holder whose name appears first in the AWA Register as at 7.00 pm on the Scheme Record Date.
- (b) Any document required to be sent under this Scheme will be forwarded, at the sole discretion of AWA, either to the holder whose name first appears in the AWA Register as at the Scheme Record Date or to the joint holders.

7. Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the AWA Register will only be recognised by AWA if registrable transmission applications or transfers in registrable form in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00pm on the Scheme Record Date at the place where the AWA Register is kept.

7.2 AWA Register

AWA must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1 of this Scheme on or before 5.00pm on the Scheme Record Date.

7.3 No disposals after Effective Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5:00pm on the Scheme Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) AWA will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 5.00pm on the Scheme Record Date (except a transfer to Beyond pursuant to this Scheme and any subsequent transfer by Beyond or its successors in title).

7.4 Maintenance of AWA Register

For the purpose of determining entitlements to the Scheme Consideration, AWA will maintain the AWA Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been provided to the Scheme Participants and Beyond has been entered in the AWA Register as the holder of all the Scheme Shares. The AWA Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Beyond contemplated in this Scheme, any statements of holding or share certificates in respect of Scheme Shares will cease to have effect after 5.00pm on the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of Beyond and its successors in title). After 5.00pm on the Scheme Record Date, each entry current on the AWA Register as at 5.00pm on the Scheme Record Date (other than entries in respect of Beyond or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6 Details of Scheme Participants

Within 1 Business Day after the Scheme Record Date, AWA will ensure that details of the names, registered addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the AWA Register at 5.00pm on the Scheme Record Date are available to Beyond in such form as Beyond reasonably requires.

8. Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints AWA and each of its directors, officers and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme including the Share Scheme Transfer; and
- (b) on the Effective Date, enforcing the Deed Poll against Beyond,

and AWA accepts such appointment. AWA, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 8 to all or any of its directors or officers (jointly, severally or jointly and severally).

9. Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to AWA, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at AWA's registered office or at the office of the registrar of AWA Member Shares.

9.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any AWA Member will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10. General

10.1 Variations, alterations and conditions

AWA may, with the consent of Beyond, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

Each Scheme Participant agrees to any such variations, alterations or conditions which AWA has consented to.

10.2 Further action by AWA

AWA will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

10.3 Authority and acknowledgement

Each of the Scheme Participants:

- (a) irrevocably consents to AWA and Beyond doing all things necessary or expedient for or incidental to the implementation of this Scheme, whether on behalf of the Scheme Participants, AWA or otherwise;
- (b) agrees to the variation, cancellation or modification of the rights attached to their AWA Member Shares constituted by or resulting from this Scheme; and
- (c) acknowledges that this Scheme binds AWA and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that

meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of AWA.

10.4 **No liability when acting in good faith**

Neither AWA nor Beyond, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.5 **Enforcement of Deed Poll**

AWA undertakes in favour of each Scheme Participant to enforce the Deed Poll against Beyond on behalf of and as agent and attorney for the Scheme Participants.

10.6 **Stamp duty**

Beyond will:

- (a) pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme or the transactions effected by or made under the Scheme; and
- (b) indemnify each Scheme Participant against any liability arising from failure to comply with clause 10.6(a),

subject to and in accordance with clause 7 of the Deed Poll.

11. **Governing law**

11.1 **Governing law and jurisdiction**

The law in force in the place specified in the Party Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

11.2 **Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Party Details, provided that a copy of the document (or details of it) must also be sent by email to the email address set out in the Party Details.

Annexure B Deed Poll

Deed Poll

Dated 15 December 2023

Given by:

Beyond Bank Australia Limited

In favour of:

The Scheme Participants

being each registered holder of shares in
AWA Mutual Limited as at 5.00pm (Sydney time)
on the Scheme Record Date

Ref GH:OC:1157651

Doc ID 1139556463/v1

Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 Australia
GPO Box 5408, Sydney NSW 2001 Australia

Telephone +61 2 9334 8555

Facsimile 1300 369 656 (Australia) +61 2 9334 8555 (International)
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Deed Poll

Details

Parties

Beyond

Name	Beyond Bank Australia Limited
ACN	087 651 143
Formed in	Australia
Address	Level 12, 100 Waymouth Street, Adelaide SA 5000
Email	rkeogh@beyondbank.com.au
Attention	Robert Keogh

In favour of

Each registered holder of shares in AWA as at 5.00pm on the Scheme Record Date.

Governing law

New South Wales, Australia

Recitals

- A. AWA and Beyond have entered into the Merger Implementation Agreement.
- B. The AWA Directors have resolved that AWA should propose the Scheme.
- C. The effect of the Scheme will be that all Scheme Shares will be transferred to Beyond.
- D. In the Merger Implementation Agreement, Beyond agreed (amongst other things) to provide the Scheme Consideration to AWA on behalf of the Scheme Participants, subject to the satisfaction of certain conditions and on the terms and conditions of the Merger Implementation Agreement.
- E. Beyond is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations under the Merger Implementation Agreement and in relation to the Scheme.

1. Definitions and interpretation clauses

1.1 Definitions

Unless the contrary intention appears, these meanings apply

Details	means the section of this document headed “Details”.
First Court Date	means the first day on which an application made to the Court, for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Insolvent	<p>A person is Insolvent if:</p> <ul style="list-style-type: none"> (a) it is (or states it is) insolvent under administration or insolvent (each as defined in the Corporations Act); or (b) it is in liquidation, in provisional liquidation, under administration, or wound up, or it has had a controller (as defined in the Corporations Act) appointed to its property; or (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or is dissolved; or (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 20 Business Days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this deed reasonably deduces it is so subject); or (g) it is otherwise unable to pay its debts when they fall due; or (h) something having a substantially similar effect to (a) to (g) above happens in connection with that person under the law of any jurisdiction.
Merger Implementation Agreement	means the merger implementation agreement dated on or around 12 September 2023 between AWA and Beyond and amended and restated on or about 9 December 2023, under which, among other things, AWA has agreed to propose the Scheme,

and each of Beyond and AWA has agreed to take certain steps to give effect to the Scheme.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between AWA and Scheme Participants under which all the Scheme Shares will be transferred to AWA, substantially in the form of Annexure A to this deed poll, or as otherwise agreed by AWA and Beyond, subject to any amendments or conditions pursuant to section 411(6) of the Corporations Act, to the extent they are approved in writing by AWA and Beyond in accordance with clause 10.1 of the Scheme.

Scheme Shares means an AWA Member Share held by a Scheme Participant as at the Scheme Record Date.

All other words and phrases used in this document have the same meaning as given to them in the Scheme. These are also defined in the Scheme.

1.2 Interpretation

- (a) Clause 1.2 of the Scheme applies to this document.
- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.3 Nature of deed poll

Beyond acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Beyond and each of its directors, officers and secretaries (jointly and severally) as its agent and attorney to enforce this deed poll against Beyond.

2. Condition precedent and termination

2.1 Condition precedent

Beyond's obligations under this document are subject to the Scheme becoming Effective.

2.2 Termination

Beyond's obligations under this document to Scheme Shareholders will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date, unless Beyond and AWA otherwise agree in writing; or

- (b) the Merger Implementation Agreement is terminated in accordance with its terms.

2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Beyond is released from its obligations to further perform this document except those obligations contained in clause 7 and any other obligations which by their nature survive termination (including obligations in the Merger Implementation Agreement expressed to survive termination); and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Beyond in respect of any breach of this document which occurs before it is terminated.

3. Performance of obligations generally

- (a) Beyond must comply with its obligations under the Merger Implementation Agreement and, subject to the terms of that document, do all acts and things necessary or desirable on its part to give full effect to the Scheme.
- (b) Subject to clause , Beyond undertakes in favour of each Scheme Participant to undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme subject to and in accordance with the terms of the Scheme.

4. Scheme Consideration

Subject to clause 2 **Error! Reference source not found.**, in consideration for the transfer to Beyond of each Scheme Share, Beyond undertakes in favour of each Scheme Participant to provide the Scheme Consideration to Scheme Participants in accordance with clause 6 of the Scheme.

5. Representations and warranties

Beyond represents and warrants that:

- (a) **(Beyond Member Shares)** upon issue:
 - (i) the Beyond Member Shares to be issued to Scheme Participants will rank equally in all respects with all existing Beyond Member Shares; and
 - (ii) each new Beyond Member Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest;
- (a) **(CGT election)** it will not make any election under any applicable tax legislation or rulings made by a government agency (including the Australian Tax Office)

pursuant to such legislation to prevent a capital gains tax (**CGT**) scrip-for-scrip rollover from being available to Scheme Participants who exchange AWA Member Shares for new Beyond Member Shares under the Scheme;

- (b) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (c) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (d) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with or result in the breach of or default under:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (i) any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound or which is applicable to it or its assets; or
 - (ii) any Encumbrance or document binding on or applicable to it;
- (e) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (f) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (g) **(solvency)** it is not Insolvent.

6. Continuing obligations

This document is irrevocable and, subject to clause 2 **Error! Reference source not found.**, remains in full force and effect until:

- (a) Beyond has fully performed its obligations under this document; or
- (b) The earlier termination of this document under clause 2.2.

7. Costs

Beyond:

- (a) agrees to pay or reimburse all stamp duty, and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and

- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 7(a).

8. Notices

- (a) Notices and other communications in connection with this document must be in writing. They must be sent to the address or email address referred to in the Details and (except in the case of email) marked for the attention of the person referred to in the Details. If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

- (b) A Notice is regarded as given and received as follows:

Method	When Notice regarded as given and received
By hand to nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The first to occur of: <ol style="list-style-type: none"> 1. the sender receiving an automated message confirming delivery; or 2. two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered

- (a) A Notice must not be given by electronic means of communication (other than email as permitted by this clause 8).

9. General

9.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by AWA and Beyond in writing; and
- (b) if the variation occurs after the First Court Date (as that term is defined in the Merger Implementation Agreement), the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme, in which event Beyond must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

9.2 Partial exercising of rights

Unless this document expressly states otherwise, if Beyond does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

9.3 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

9.4 Assignment or other dealings

Beyond and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Beyond and AWA.

9.5 Joint and several obligations

Beyond is liable for each obligation imposed on it by the terms of this deed poll.

9.6 Further steps

Beyond agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant), at its own expense, necessary or expedient to give full effect to this document and the transactions contemplated by it.

10. Governing law and jurisdiction

10.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. Beyond submits to the non-exclusive jurisdiction of the courts of that place.

10.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Beyond by being delivered or left at Beyond's address set out in the Details, provided that a copy of the document (or details of it) must also be sent by email to the email address set out in the Details.

EXECUTED as a deed poll

Signing page

Executed as a deed

DATED: _____

Executed by Beyond Bank Australia Limited 087 651 143 in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)

Date

Date

Annexure A Scheme of Arrangement

Annexure H - Summary of Beyond Bank Significant Accounting Policies

Capitalised terms used in this Annexure H have the meanings ascribed to them in the Beyond Bank 2023 Annual Report. Specifically "Group" refers to the Beyond Bank Group (as defined in this Scheme Booklet) and "Company" refers to Beyond Bank Australia Limited, and a reference to "financial statements" is to the financial statements of Beyond Bank contained in the Beyond Bank 2023 Annual Report available for download at: <https://www.beyondbank.com.au/about-us/corporate-governance/annual-reports.html>.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Beyond Bank 2023 Annual Report)

(a) Financial Reporting

Beyond Bank Australia Limited ("the Company") is a company domiciled in Australia. The consolidated financial report for the year ended 30 June 2023 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity"). The Consolidated Entity is a for profit entity and primarily is involved in providing a range of financial services including personal and business banking, insurance, and financial planning services. The financial report was authorised for issue by the directors on 29 August 2023.

(b) Statement of Compliance

This financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Consolidated Entity and the Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(c) Basis of Preparation and Areas of Estimation

The financial report has been prepared in Australian dollars and in accordance with the accruals basis of accounting using historical costs except where described otherwise in the notes to the accounts. Cost is based on the fair values of the consideration given in exchange for assets. ASIC's Corporation's (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 permits the rounding of amounts in financial statements and directors reports. In accordance with that Instrument, all financial information has been rounded to the nearest one hundred thousand unless otherwise stated. The Company holds an Australian Financial Services Licence and has therefore applied ASIC Class Order CO 10/654 and has presented both parent company and consolidated entity financial statements in this financial report. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. These accounting policies have been consistently applied by the Consolidated Entity and the Company. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, areas of estimation uncertainty and critical areas where judgement has been applied are as follows:

- Loans and receivables are carried at amortised cost, requiring estimates to be made of their expected life. The expected life of mortgage secured loans is estimated at 57 months (2022: 55 months) while other loans have an estimated expected life of 28 months (2022: 29 months). In addition, loans and receivables are carried net of impairment provisions which are determined based on estimates of default probabilities and the loss incurred in the event of default. The impairment provision estimates are uncertain with an analysis of the sensitivity of the recognised impairment provision to changes in the estimates is provided at Note 1(q).
- Judgement has been exercised in assessing that not all the risks and rewards of ownership of securitised loans have been transferred.
- The obligation for long-term employee benefits is determined based on statistical estimates of the amount and timing of related future cash flows with Australian high-quality corporate bond rates applied to discount cash flows.
- Investment securities are carried at fair value which is based on an estimate of the amount which would be exchanged between willing parties in an arm's length transaction. AASB 101 Presentation of Financial Statements allows assets and liabilities to be presented in order of their relative liquidity. As this presentation provides information that is more relevant, assets and liabilities are not presented as current and non-current on the face of the Statements of Financial Position.

(d) Principles of Consolidation

The consolidated financial statements are prepared by including the financial statements of all the entities that comprise the Consolidated Entity, being the Company (the parent entity) and its controlled entities as defined in AASB 10 Consolidated Financial Statements. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers over the entity. A list of controlled entities appears in Note 12 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the control ceases. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Consolidated Entity are eliminated in full.

i) Business Combinations

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Consolidated Entity.

The identifiable assets and liabilities of the acquiree are recognised at their fair value at acquisition date. Goodwill is recognised if, and to the extent that, the consideration transferred exceeds the fair value of the acquiree's identifiable assets acquired and liabilities assumed.

Transaction costs that the Consolidated Entity incurs in connection with a business combination are expensed as incurred.

ii) Interests in Equity Accounted Investees

The Consolidated Entity's interest in equity accounted investees comprises interest in an Associate. Associates are those entities in which the Consolidated Entity has significant influence, but not control, over financial and operating policies. Interest in the Associate is accounted for using the equity method.

The interest is initially recognised at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Consolidated Entity's share of the Associate's profit or loss and other comprehensive income until the date on which significant influence ceases. The Interest in the Associate is subject to annual testing as to whether there is objective evidence of impairment (refer Note 1(m)). If assessed as impaired, any loss is recognised in the Statements of Profit and Loss and Other Comprehensive Income. Any subsequent recovery in the fair value of an impaired investment security would also be recognised in other comprehensive income.

(e) New Accounting Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022. Earlier adoption is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements. These standards are not expected to have any material recognition or measurement impacts on the Consolidated Entity's financial report upon initial application but, in respect of certain standards, may result in additional disclosures.

(f) Accounts Payable

Trade and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the procurement of goods and services. These liabilities are initially recognised at fair value and subsequently measured at amortised cost.

(g) Borrowings

Interest on wholesale borrowings and other interest-bearing liabilities is brought to account on an effective yield basis.

The amount of the accrual is measured on a nominal basis and recognised as a liability in the Statements of Financial Position. These liabilities are initially recognised at fair value and subsequently measured at amortised cost.

(h) Cash and Cash equivalents

Cash and cash equivalents comprise cash at branches plus deposits at call with Approved Deposit-taking Institutions. Interest income on cash and cash equivalents is recognised using the effective interest method in the Statements of Profit or Loss and Other Comprehensive Income. Cash and cash equivalents are recognised at amortised cost. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management are included as a component of cash and cash equivalents for the purpose of the Statements of Cash Flows but as part of Borrowings in the Statements of Financial Position.

(i) Deposits

Interest on deposits is credited in accordance with the terms of each deposit and brought to account on an effective yield basis. Interest is accrued as part of the deposit balances which are carried at amortised cost.

(j) Derivative Financial Instruments

The Consolidated Entity enters into interest rate swap agreements for the sole purpose of managing interest rate risk exposures in the Statements of Financial Position and not for speculative (trading) purposes. Derivative financial instruments are recognised at fair value. Realised gains and losses on interest rate swaps are recognised immediately in the Statements of Profit or Loss and Other Comprehensive Income via inclusion in the determination of interest revenue while unrealised changes in the fair value of interest rate swaps is included as Other Income. Derivatives are initially measured at fair value and are subsequently re-measured to fair value at each reporting date with movements recorded in the Statements of Profit or Loss and Other Comprehensive Income. Fair values are calculated by discounted cash flow models using yield curves that are based on observable market data or are based on valuations from counterparties. All derivatives are classified as assets where their fair value is positive and liabilities where their fair value is negative. Where there is the legal ability and intention to settle net, the derivative is classified as a net asset or liability, as appropriate. Interest rate swaps that do not qualify for hedge accounting or have been de-designated are accounted for as trading instruments and any changes in fair value are recognised immediately in profit or loss. Further details of derivative financial instruments are disclosed in Note 31(i) Cash flow hedges.

The Consolidated Entity enters into floating for fixed interest rate swap transactions that are designated as an effective hedging instrument against a specified dollar value of floating rate borrowings exposures which will reprice in the same specified month and year. Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. When the forecast transaction subsequently results in the recognition of a non-financial asset or liability, the associated cumulative gain or loss is removed from other comprehensive income and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or liability, then the associated gains or losses that were recognised directly in other comprehensive income are reclassified into profit or loss in the same period or periods during which the assets acquired or liability assumed affects the Statement of Profit or Loss and Other Comprehensive Income (i.e. when the interest income is recognised).

Effectiveness tests are performed on derivative financial instruments to determine if they are still providing the protection originally intended when entered into by the Consolidated Entity. Hedge accounting is discontinued when the hedge instrument expires, is sold, terminated, exercised or no longer qualifies for hedge accounting. Where a derivative financial instrument that was previously considered to be effective no longer satisfies the effectiveness test criteria, any gain or loss on the instrument previously recognised in the other comprehensive income is reversed through profit or loss with all subsequent gains or losses recognised through profit or loss.

(k) Employee Benefits

A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Long-term employee benefits The Consolidated Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs and that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Australian high quality corporate bonds that have maturity dates approximating the terms of the Consolidated Entity's obligations.

Termination benefits

Termination benefits are recognised as an expense when the Consolidated Entity is committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer encouraging voluntary redundancy, and it is probable that the offer will be accepted.

Short-term benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are expected to be settled wholly within 12 months and hence are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as payroll tax. Non-accumulating nonmonetary benefits, such as motor vehicles or free or subsidised goods and services, are expensed based on the net marginal cost to the Consolidated Entity as the benefits are taken by the employees.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Consolidated Entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Financial Assets and Liabilities

The Consolidated Entity initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities at fair value on the date they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Consolidated Entity becomes a party to the contractual provisions of the instrument. These financial assets and liabilities are subsequently measured at amortised cost using the effective interest method unless otherwise stated in the notes to the accounts. The Consolidated Entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. An interest in transferred financial assets that is created or retained by the Consolidated Entity is recognised as a separate asset or liability.

The Consolidated Entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Consolidated Entity enters into transactions whereby it transfers assets recognised in its Statements of Financial Position but retains either all the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the Statements of Financial Position. The Consolidated Entity securitises various consumer financial assets, which generally results in a sale of these assets to special purpose entities, which in turn issue securities to investors.

(m) Impairment of Non-Financial Assets

The carrying amounts of the Consolidated Entity's non-financial assets, other than deferred tax assets, are reviewed at each balance date to determine whether there is any indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset (either in its own right or as part of a cash-generating unit) exceeds its recoverable amount. Impairment losses are recognised in the Statements of Profit or Loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal of that previous revaluation with any excess recognised through the Statements of Profit or Loss and Other Comprehensive Income. Goodwill is tested for impairment annually. Whenever there is any indication that the goodwill may be impaired, any impairment loss is recognised immediately in profit and loss and is not subsequently reversed.

(n) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior years is recognised as a liability to the extent that it is unpaid. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantially enacted at the balance date. A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be used.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are not recognised if the temporary differences affect neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

The Company's disclosed available franking credits are based on the balance of its franking account at year end adjusted for:

- franking credits that will arise from the payment of current tax liabilities or franking debits that will arise from the receipt of current tax asset refunds;
- franking debits that will arise from the payment of dividends recognised as a liability at year end;
- franking credits that will arise from the receipt of dividends recognised as receivables at year end, and
- franking credits that the Company may be prevented from distributing in subsequent years.

The controlled entities of the Consolidated Entity are not part of a tax consolidation group and are taxed as individual entities. As a result, the individual entities continue to recognise current and deferred tax amounts in their own right which are then consolidated into the accounts of the Consolidated Entity.

(o) Intangible Assets

Goodwill

Goodwill, representing the excess of the cost of acquisition of a business over the fair value of the identifiable net assets acquired, is recognised as an asset and not amortised but tested for impairment annually. Refer to Note 1(m) in relation to impairment.

Computer Software

For Software to be recognised as an intangible asset, it needs to be both identifiable and the entity must have control over the asset. Software that meets this criterion and that is acquired by the Consolidated Entity is stated at cost less accumulated amortisation. Amortisation is charged from the date the asset is available for use on a straight line basis over a period of 2-3 years.

Software-as-a-Service (SaaS) arrangements provide the Consolidated Entity with the right to access the provider's application software over the contract period and as such the Consolidated Entity does not recognise an intangible asset for such services.

The Barton Securitisation Program

Costs associated with establishing the program and each Series issue are amortised over the weighted average life of the notes for each Series. This generally results in amortisation over 3-5 years on a straight-line basis and is reflected as part of borrowing costs.

Other Intangible Assets

Other intangible assets, including customer relationships that are acquired by the Consolidated Entity and have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses. Amortisation is charged from the date the asset is acquired on a straight-line basis over the estimated useful life of the asset.

(p) Other Investments

Other Investments securities are measured at fair value through other comprehensive income (FVOCI). For Equity investments, AASB 9 requires the Consolidated Entity to consider whether those assets are held for trading. As our Equity investments are not held for trading, the Consolidated Entity has irrevocably elected to designate the instruments at FVOCI. In the Company's financial statements, investments in controlled entities are carried at cost.

Other Investments securities are subject to annual testing as to whether there is objective evidence of impairment (refer Note 1(m)). If assessed as impaired, any loss is recognised in profit or loss. Any subsequent recovery in the fair value of an impaired investment security would also be recognised in profit or loss.

(q) Loans and Advances

Loans and advances are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, after assessing required provisions for impairment.

Loan and credit limit interest is calculated on the daily balance outstanding and is charged to members' accounts on the last day of each month. Overdraft interest is calculated on the daily balance outstanding and is charged in arrears to members' accounts at the beginning of the following month. Housing loans are secured by registered mortgages.

Impairment

All loans and advances are subject to regular management review to assess whether there is any objective evidence of impairment.

Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement.

Bad debts are written off when identified. Bad loans are written off against the Provision for Impaired Loans. Adjustments to the Provision for Impaired Loans are taken to the Statements of Profit or Loss and Other Comprehensive Income and reported with Impairment Losses. Recovery of loans previously written off is recognised in the Statements of Profit or Loss and Other Comprehensive Income only when the recovery amount has been received from the debtor.

Statutory reporting requirements for Impaired Loans

All loans and advances are reviewed and graded according to the anticipated level of credit risk. *AASB 7 Financial Instruments: Disclosures* prescribes specific reporting requirements of impaired loans, acquired assets and past-due loans.

The following classifications have been adopted:

Restructured loans are those where the original contractual terms have been modified to provide for concessions of interest, principal or repayment for reasons related to financial difficulties of the member and the revised terms are not comparable to new facilities.

Past-due loans are loans where the borrower has failed to make a repayment when contractually due. Provision for these loans is made according to the period of arrears and with regard to the underlying security. Assets acquired through the enforcement of security are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

Loans and Advances – Provision for Impairment

The components of the aggregate provision as set out in Note 9 are described in the following paragraphs.

Specific Provision

The specific provision against impaired loans exists to provide for loans that are 90 days or more in arrears (being a loss event) and for which there is evidence based on past history that a loss will occur and impact on future cash flows.

Collective Provision

The Expected Credit Loss (ECL) provision is calculated based on current credit delinquency, historical default probabilities and rates of loss in the event of default. The provision is calculated on all loan and credit limit balances, and on committed, undrawn exposures, including credit cards and loan commitments, except exposures for which a specific provision has been raised. The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure. For credit-impaired exposures that are modelled collectively, ECL is measured as the product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), based on a range of possible scenarios for the future value of security held and adjusted for forward looking macroeconomic information.

The ECL is determined with reference to the following stages:

Stage 1: 12 month ECL

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk (SICR) or for those financial assets for which the credit risk is considered to be low, ECL is determined based on the PD over the next 12 months and the life time losses associated with such PD, adjusted for forward looking macroeconomic information.

Stage 2: Lifetime ECL not credit-impaired

When there has been a SICR, the ECL is determined with reference to the financial asset's life-time PD and the lifetime losses associated with that PD, adjusted for forward looking macroeconomic information. The Consolidated Entity assesses whether there has been a SICR since initial recognition. This assessment is based on qualitative information but primarily relies on AASB 9's rebuttable backstop of a credit balance being greater than 30 days past due as the most reasonable and effective way of consistently determining when a significant increase in credit risk has occurred. Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised.

Stage 3: Lifetime ECL credit-impaired

Financial assets are classified as Stage 3 where they are determined to be credit impaired, which generally matches the Australian Prudential Regulatory Authority (APRA) definition of default and includes exposures that are at least 90 days past due.

The measurement of ECL for credit impaired financial assets is based on estimates that are inherently uncertain. PD and LGD rates are calculated from the Consolidated Entity's actual default and loss experience over the last 5 years which may not accurately reflect its future default and loss experience. EAD is calculated as the maximum available exposure amount at balance date, net of available security at its most recently recorded valuation estimate (but not less than zero). Lenders' Mortgage Insurance, if any, is not factored into the EAD calculation. Forward looking security value scenarios and macro-economic factors are estimated from a range of publicly available economic sources but, by their nature, are not certain.

The statutory collective component of the provision is contingent upon the length of time loan repayments are in arrears and the security held. The provision varies according to the type of security attached to the loan and the number of days each loan is in arrears.

Reversals of Impairment Losses

An impairment loss in respect of Loans and Advances measured at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

General Reserve for Credit Losses

Under APRA Prudential Regulations, a General Reserve for Credit Losses was required to be maintained to provide an additional reserve against possible volatility in future cash flows as a result of unexpected loan

defaults. However, upon the release of the most recent version of Prudential Standard APS 220 applicable from 1 January 2022, this reserve is no longer required to be maintained and the balance of this reserve was transferred to Retained Earnings during the year ended 30 June 2022.

(r) Member Share Capital

Withdrawable member share capital (redeemable preference shares) is classed as a liability (at amortised cost) and is therefore reported under the classification of Deposits from members (Note 16). Each member holds one redeemable preference share.

The Redeemed Share Reserve represents the amount of Preference Shares redeemed by the Company during the period 1 July 1999 to the date of this financial report. The Corporations Act 2001 requires that redemption of these shares is to be made out of retained profits or through a new issue of shares for the purpose of the redemption. Since the value of the shares redeemed have been paid to the members in accordance with the terms and conditions of the share issue, the account balance represents the amount of profits appropriated to the account for the period stated above.

(s) Other Receivables

Receivables are recognised at amortised cost less any allowance for impairment and are classified as loans and receivables.

(t) Investment Instruments

Investment Instruments are initially recognised at fair value and subsequently measured at amortised cost. An ECL provision is calculated based on current credit delinquency, historical default probabilities and rates of loss in the event of default. Because credit risk for these assets is considered to be low, the ECL is determined based on the PD over the next 12 months and the life time losses associated with such PD, adjusted for forward looking macroeconomic information.

Investments in Bank Bills and Bank Bonds are initially recognised at fair value and subsequently measured at amortised cost. Discounts or premiums are amortised over the period of investment through the Statements of Profit or Loss so that the investments attain their redemption values by maturity date.

The Company's Counterparties and Credit Limits policy limits the Company to investing in counterparties with a Credit Rating Grade (CRG) above 3 as defined under Prudential Standard 112 Capital Adequacy. The Counterparties and Credit Limits policy also sets exposure limits for each counterparty type and investment grade.

(u) Preference Share Capital

Preference share capital is classified as equity if it is nonredeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's Board.

(v) Property, Plant and Equipment

Assets acquired are initially recognised at the cost of acquisition, being the fair value of the consideration provided plus costs incidental and directly attributable to the acquisition. Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Consolidated Entity in future years, otherwise the costs are expensed as incurred. Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on property, plant and equipment and is calculated on a straight line basis from the date the asset is held ready for use so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. The following estimated useful lives are used in the calculation of depreciation:

For Current and Comparable Period

Buildings 40 years

Fit-out and leasehold improvements 5 to 10 years

Plant and equipment 3 to 7 years

Held for sale assets

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter the assets are generally measured at the lower of their carrying amount or fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains and losses are recognised in profit or loss.

(w) Leases

AASB 16 removes the classification of leases as either operating leases or finance leases (for lessee) effectively treating all leases as finance leases and, subject to limited exceptions, require all leases to be capitalised on the balance sheet. The Consolidated Entity is required to assess at the inception of a contract whether a contract is, or contains, a lease. To assess whether a contract is, or contains, a lease, the Consolidated Entity applies judgement as to whether:

- the contract involves the use of an identified asset;
- the Consolidated Entity has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Consolidated Entity has the right to direct the use of the asset.

Recognition

The Consolidated Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus an estimate of costs associated with restoring the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is tested for impairment and if there is an indicator, it is adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted using the Consolidated Entity's incremental borrowing rate. The lease liability is remeasured when there is a change in future lease payments. This includes adjusting for variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The carrying amounts are remeasured if there is a change in any of the future lease payments arising from a change in an index rate used, lease term and termination penalties. When a lease liability is remeasured an adjustment is made for the corresponding right-of use asset or to profit or loss if the carrying amount of the right-of use asset is fully written down. The incremental borrowing rate is determined by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease. The consolidated entity has elected not to recognise right-of-use assets and lease liabilities for low value assets.

(x) Provisions

Provisions are recognised when the Consolidated Entity has a present, legal or constructive obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the expected consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation and those cash flows are discounted to the present value where appropriate.

(y) Revenue Recognition

Revenue arises mainly from interest on loans to members, fees for services provided, dividends, commission from the sale of insurance products, and the rendering of wealth management services.

To determine whether to recognise revenue, the Consolidated Entity follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Consolidated Entity satisfies performance obligations by transferring the promised goods or services to its members. The Consolidated Entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Consolidated Entity satisfies a performance obligation before it receives the consideration, the Consolidated Entity recognises either a contract asset or a receivable in its Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

Dividend income

Dividend income is recognised when the right to receive the dividend has been established, which in the case of unlisted securities is when the dividend is declared.

Interest income and expense

Interest income and expense on all financial instruments is recognised in interest revenue or expense in the Statements of Profit or Loss and Other Comprehensive Income. Interest income and expense is calculated using the effective interest method for financial assets and liabilities held at amortised cost and at FVOCI. The effective interest method is a method of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument. Specifically, for mortgage assets, the effect of this policy is to spread the impact of loan establishment fees and costs directly attributable and incremental to setting up the loan, over the expected life of the mortgage. Other transactions such as related loan fees, including loan break fees, are recognised at the point of rendering the service to the member and reported as part of Other Income.

Due to the short-term nature and reviewability of Revolving Credit facilities, all associated fees, including establishment fees, are recognised at the time the related service is performed.

Sale of assets

Income from the sale of assets is recognised when the significant risks and rewards of ownership of the asset passes from the Consolidated Entity to the buyer.

(z) Restatement of comparative balances

The comparative Statements of Cash flows for the Group and the Company and the reconciliation of profit to net cash flows from operating activities (Note 24(a)) have been restated for the period ended 30 June 2022 as a result of presenting net cash flows from borrowings of \$129.7m under financing activities rather than operating activities. The impact of this restatement is that Net cash from operating activities has been restated from \$11.4m to \$141.1m and Net cash from / (used in) financing activities has been restated from (\$7.5m) to (\$137.2m). There is no impact on the Group's or the Company's Statements of Profit or Loss and Other Comprehensive Income and Statements of Financial Position as a result of these adjustments.