

## A letter from the Chairman

Dear Member,

It is my pleasure to invite you to the 2020 Annual General Meeting (AGM) of B&E Ltd trading as *Bank of us* on Tuesday, 27 October 2020.

We will provide you with an overview of our Company's performance for the year ended 30 June 2020 and we will update you on our strategy for the year ahead.

The meeting will be held at the Hotel Grand Chancellor, "Chancellor 6 Room", 29 Cameron St, Launceston TAS 7250, commencing at 10.00am.

An electronic copy of our Annual Year in Review as well as our Statutory Annual Report can be viewed on our website at [www.bankofus.com.au/reports](http://www.bankofus.com.au/reports).

I encourage you to attend the AGM. It is the easiest way for you to take an active interest in the management of our customer owned bank.

After the AGM, you are invited to join the Board and Executive team for some light refreshments.

Your Directors and Executives look forward to seeing you at the AGM.

Yours sincerely,



**Stephen Brown**  
Chairman

29 September 2020

\* You can 'opt out' of receiving a hard copy of the Notice of Meeting and help us to help the environment and reduce costs. Please email us at [company.secretary@bankofus.com.au](mailto:company.secretary@bankofus.com.au) or call us on 1300 306 716 to opt to receive your future Notices of Meeting via email.

**Note:** So that we can meet social distancing requirements and match room size, we ask that members please advise if you intend to attend the Meeting. Please email us at [company.secretary@bankofus.com.au](mailto:company.secretary@bankofus.com.au) or call us on 1300 306 716 if you intend to attend the Meeting.

## 2020 Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting (AGM) of B&E Limited (the Company) will be held at:

LOCATION: Hotel Grand Chancellor, "Chancellor 6 Room", 29 Cameron St, Launceston TAS 7250  
DATE: Tuesday, 27 October 2020  
TIME: 10.00am

### ITEMS OF BUSINESS

#### 1. CHAIRMAN AND CEO PRESENTATIONS

#### 2. FINANCIAL STATEMENTS AND REPORTS

To receive the Financial Statements and Reports of the Company for the year ended 30 June 2020.

NOTE: There is no requirement for members to approve these reports.

#### 3. ELECTION OF DIRECTORS

- a) To elect Scott Newton as Director of the Company. His appointment will be for the period commencing at the end of this AGM until the end of the third AGM thereafter.
- b) To elect Robert King as Director of the Company. His appointment will be for the period commencing at the end of this AGM until the end of the third AGM thereafter.

NOTE: The Company's Constitution provides that where the number of candidates is equal to or less than the number of positions to be filled, each candidate shall be elected by a separate resolution for each candidate. The non-candidate Directors unanimously support the election of Scott Newton and Robert King.

#### 4. REMUNERATION OF DIRECTORS

To consider and, if thought fit, pass the resolution for the maximum aggregate remuneration to be paid to Directors.

#### 5. AMENDING CONSTITUTION – MUTUAL CAPITAL INSTRUMENTS

To consider and, if thought fit, to pass the following resolution as a special resolution to amend the Constitution:

That the Company's Constitution be amended to allow for the issue of mutual capital instruments (MCIs) by making the amendments marked-up in the copy of the Constitution which is tabled at the Meeting and signed by the Chair of the Meeting for the purposes of identification.

NOTE: The proposed amendments to the Company's Constitution are described in the Explanatory Notes to this Notice. A copy of the Constitution marked-up with the proposed amendments is available on our website at [www.bankofus.com.au/product-disclosure](http://www.bankofus.com.au/product-disclosure). Alternatively, members can request a copy by calling us on 1300 306 716. A copy will also be available to view at the Annual General Meeting.

#### 6. OTHER BUSINESS

To transact any further business which may be brought forward in accordance with the Constitution of the Company and which may be properly dealt with at the Annual General Meeting.

Please refer to the attached Explanatory Notes.

By Order of the Board



Gerald White  
Company Secretary

29 September 2020

## Explanatory notes

### ITEM 2: FINANCIAL STATEMENTS AND REPORTS

The Financial Reports for the year ended 30 June 2020 include the Directors' Report, Statement of Financial Performance, Statement of Financial Position, Directors' Declaration, Notes to the Financial Statements and the Independent Auditor's Report.

Copies of our 2020 Year in Review and our 2020 Statutory Financial Report are available:

- online at [www.bankofus.com.au/reports-regulatory-information](http://www.bankofus.com.au/reports-regulatory-information)
- by emailing [company.secretary@bankofus.com.au](mailto:company.secretary@bankofus.com.au)
- by calling 1300 306 716
- at your nearest branch of *Bank of us*

Neither the Corporations Act nor the Company's Constitution require a vote of members on the reports or statements. However, members will be given a reasonable opportunity to ask questions about or make comments regarding our financial performance.

### ITEM 3: ELECTION OF DIRECTORS

In accordance with the Company's Constitution, Scott Newton and Robert King retire at the end of this AGM and both Directors have offered themselves for re-election.

Rule 13.4 of the Company's Constitution requires that all persons nominated for appointment as a Director be assessed by the Board Nominations Committee to determine their fitness and propriety to act as a Director in accordance with the requirements of the Board's Fit & Proper Policy. Further, all persons nominated for appointment as a Director must meet the requirements of accountable persons under the BEAR legislation as administered by the Australian Prudential Regulatory Authority (APRA). Once they have been assessed as having the appropriate fitness, propriety and accountability, they become 'candidates' for appointment under the Company's Constitution.

In addition, APRA requires the Board, through the APRA Governance Standard CPS 510, to ensure that it maintains a sound governance framework. To achieve this Standard, the Board regularly reviews its composition to ensure an appropriate mix of skills, experience and knowledge to meet the good governance and strategic demands of the Company.

The Board has assessed Scott Newton and Robert King as being fit, proper and accountable with the appropriate set of skills, experience and knowledge to act as a Director. Further, under Rule 13.12 of the Company's Constitution.

As the number of candidates is equal to or less than the number of positions to be filled, under Rule 13.3 of the Company's Constitution, each candidate shall be elected by a separate resolution for each candidate.

*The Directors unanimously support the election of Scott Newton and Robert King*

#### ITEM 4: REMUNERATION OF DIRECTORS

Member approval is sought to set the maximum aggregate remuneration paid to Directors of the Board at \$365,000. The proposed Directors remuneration is the same as last year. Rule 13.4 of the Company's Constitution requires that the limit on total aggregate remuneration that may be paid to non-executive Directors is fixed by ordinary resolution of a general meeting of members.

Directors' fees are reviewed annually and set and approved by the Board based on advice received from the Board Remuneration Committee which in turn receives advice from external remuneration consultants every three years.

The Board considers that the remuneration pool for Directors is reasonable and appropriate for the following reasons:

- there are increasing demands on non-executive Directors given our growth in operations;
- there are continued regulatory changes which increase workloads and time demands on non-executive Directors; and
- the Board is comprised of highly experienced senior business leaders. The ability to recruit and retain high calibre Directors requires sufficient capacity to respond to changes in market rates for non-executive Directors as required.

*With Directors noting their interest, the Board unanimously recommends that members vote in favour of Item 4.*

#### ITEM 5: AMENDING CONSTITUTION – MUTUAL CAPITAL INSTRUMENTS

This special resolution will amend the Company's Constitution to allow for the issue of Mutual Capital Instruments (MCIs). MCIs are a new bespoke type of share provided for by law, that can only be issued by mutual entities. MCIs allow mutual entities to raise capital without jeopardising their mutual status or structure. The ability to issue MCIs gives mutual entities access to a broader range of capital raising and investment options than they previously had, to help innovate, grow and compete.

The Company is a mutual entity as defined in the Corporations Act (each member has no more than 1 vote in general meeting for each capacity in which a person is a member) and thus is eligible to issue MCIs. However, the Company's Constitution must first be amended to allow it to issue MCIs. This special resolution will amend the Company's Constitution to address the specific legal requirements for MCIs, by:

- stating that the Company is intended to be an MCI mutual entity;
- ensuring that rights attaching to MCIs or a class of MCIs can only be varied or cancelled by a special resolution of the Company and either:
  - a special resolution of all persons holding the same class of MCI; or
  - obtaining written consent of 75 per cent of the holders of the class of MCI;
- specifying that MCIs can only be issued as a fully paid share;
- stating that dividends in respect of the MCI are non-cumulative;
- setting out the rights attached to the MCI with respect to participation in surplus assets and profits.

In addition to the matters described above the key features and rights of MCIs will be as summarised below:

- the terms of issue, including rights attaching to, MCIs will be as determined at the time by the Board;
- the Company may issue different classes of MCIs with different rights;

- the Company may issue other types of securities on terms that they will or may convert to MCIs;
- MCIs may carry a right to dividends;
- MCIs may carry a right in the event of the winding-up of the Company to payment of their subscription price, but cannot otherwise carry any right to share in surplus assets – classes of MCIs may be issued on terms that give them priority to payment of subscription price before other MCIs;
- MCIs may carry a right to vote in general meeting and in the election of directors, but capped at 1 vote per MCI holder – if an MCI holder is also a member that person cannot cast more than 1 vote in total;
- MCIs may carry rights that are preferred, equal, or deferred to the rights of any other class of MCIs or any other class of shares.

The amendments seek to provide the Board with flexibility as to the terms of issue of MCIs to be best placed to address commercial and regulatory requirements for capital raising purposes. Whether or not MCIs carry any of the above permitted rights is a matter for the board to determine if and when it decides to issue MCIs. At this time the Board has no plans to issue any MCIs.

*The Board unanimously supports the amendments to the Constitution to allow for the issue of Mutual Capital Instruments*

## PROXIES

- Any member entitled to attend the Annual General Meeting may appoint a proxy to attend the meeting for them and their proxy does not need to be a member of the Company.
- A Proxy Form can be obtained from our website, by emailing [companysecretary@bankofus.com.au](mailto:companysecretary@bankofus.com.au) or phoning 1300 306 716.