

Last reviewed: June 2026

1. Purpose of this Charter

- 1.1 This Board Charter confirms the authority, roles, responsibilities and governance framework of the Board of IMB Ltd (IMB).
- 1.2 More detailed policies and procedures pertaining to specific corporate governance activities are contained in the Board's **Corporate Governance Manual**, which supplements this Charter, and which is reviewed by the Board at least annually.

2. Values and Purpose

- 2.1 The Board will carry out its responsibilities and exercise its powers in accordance with the IMB Group's values of integrity, respect, performance, member focus and offering solutions.
- 2.2 The Board will act at all times –
 - (a) in a manner designed to create and build sustainable value for all stakeholders;
 - (b) in accordance with obligations imposed by law and the Constitution of IMB;
 - (c) with an intention to support positive environmental, social and governance outcomes for members and the community, mutual ADI peer group and the banking and financial services industry in which the IMB Group participates.
- 2.3 The Board recognises that its primary responsibilities underpin IMB's purpose of providing simple, authentic, connected and value driven banking that helps IMB's Members and the communities in which it operates to be better off.
- 2.4 The Board is committed to achieving IMB's 'Vision' which is to be the leading East Coast Mutual Bank.

3. Stakeholders

- 3.1 The IMB Group's stakeholders, to whom the Board has direct lines of responsibilities including stewardship, welfare, service, accountability and communication, are –
 - (a) Members *[depositors, borrowers, shareholders]*
 - (b) Management *[CEO and Executive staff]*
 - (c) Employees
 - (d) Suppliers *[goods and services]*
 - (e) The Community *[within IMB's areas of operation in particular]*
 - (f) Regulatory bodies

- (g) Auditors [*External and Internal*]
- (h) Industry Associations
- (i) Directors [*individually*]

3.2 The Board recognises that all stakeholders are integral to the successful performance of the IMB Group and are valued accordingly.

4. Authority

4.1 The Board derives its authority to act from the Constitution of IMB and the laws governing corporate entities and authorised deposit taking institutions (ADIs) in Australia.

4.2 Under IMB's Constitution, the Board has the discretion to delegate its powers to any committee or other person.

5. Roles and Responsibilities

5.1 The Board is responsible for –

- (a) Setting a clear 'tone from the top' by articulating expectations for, and continuously overseeing, the desired culture of IMB through regular review, communication and testing of the organisational values and expected standards of behaviour;
- (b) Ensuring the financial soundness of the IMB Group by providing leadership, vision and oversight of all activities of IMB, its controlled entities and entities in which it has an investment;
- (c) Charting the direction of the IMB Group by setting and overseeing the implementation of the strategy of IMB;
- (d) Monitoring senior management's performance with respect to the implementation of IMB's strategy and ensuring appropriate resources are available to execute Board approved strategies;
- (e) Setting IMB's risk appetite taking into account the competitive and regulatory landscape and the bank's long-term interests, risk exposure and ability to manage risk effectively;
- (f) Establishing and overseeing effective risk management systems, and providing a constructive challenge to management to assure itself that the Group is responding appropriately to financial Overseeing IMB's capital management, including the level and quality of capital, and capital adequacy commensurate with the level and extent of the risks to which IMB is exposed;
- (g) Reviewing and monitoring processes for the maintenance of adequate credit quality;
- (h) Establishing and overseeing the effectiveness of the IMB Group's governance, risk and compliance frameworks, approving policies of IMB, and ensuring the Board's and the IMB Group's compliance with prudential, statutory, regulatory and taxation requirements;
- (i) Reviewing and monitoring IMB's compliance position and the effectiveness of systems of internal control;

- (j) Establishing and overseeing frameworks that ensure IMB's obligations as an accountable entity, and those of IMB's accountable persons under the Financial Accountability Regime, are met;
- (k) Overseeing the timely rectification and remediation of material compliance breaches and breaches of IMB's risk management framework;
- (l) Overseeing the effectiveness of IMB's policies and procedures for whistleblowing and the raising of confidential concerns, including the receipt of reports on material concerns raised;
- (m) Appointing the CEO, determining the terms of CEO employment, evaluating CEO performance, and undertaking CEO succession planning;
- (n) Approving a remuneration policy that covers all employees;
- (o) Overseeing remuneration arrangements and ensuring alignment with IMB's risk culture and risk appetite (including to ensure that deferral of remuneration and adjustments to variable remuneration occurs in compliance with IMB's obligations as an ADI and an accountable entity);
- (p) Monitoring the frameworks established to ensure the safety and wellbeing of all employees within the IMB Group's workplaces;
- (q) Ensuring each member of the Board is a fit and proper person as required by prudential regulation and eligible to hold an accountable person position at IMB;
- (r) Ensuring that directors and senior management of IMB, collectively, have the full range of skills needed for the effective and prudent operation of the institution, and that each director has skills that allow them to make an effective contribution to Board deliberations and processes;
- (s) Ensuring Directors participate in continuing education and development opportunities so as to ensure they are equipped to address evolving issues pertaining to the IMB Group and the industry in which IMB operates.

The roles and responsibilities of each director are documented and subject to periodic review.

6. Powers

- 6.1 In accordance with all applicable laws, regulations and the IMB Constitution, the Board will –
- (a) Set the remuneration of and evaluate the performance of the CEO on an annual basis;
 - (b) Set the remuneration and evaluate the performance of any employees in specified roles as defined by the board approved Remuneration Policy;
 - (c) Delegate to the CEO the responsibilities for management of the IMB Group's operations in accordance with the overall objectives, strategies and policies set from time to time, but above all, in a manner permitted by IMB's Constitution. These delegations will be documented in the IMB Authorities Manual;
 - (d) Review annually and reset where appropriate the delegated authority levels under which the CEO will manage the operations of the IMB Group;
 - (e) Consider and determine any matters in excess of discretions as they arise;
 - (f) Review, consider and approve as appropriate:

- i. The budget and the strategic plan, on an annual basis;
- ii. Interim and annual financial statements;
- iii. The payment of dividends to shareholder members;
- iv. Major organisational or structural changes to IMB Ltd or the IMB Group as such opportunities arise;
- v. Major financial decisions relating to IMB's capital structure;
- vi. Public statements on significant issues relating to policy, strategy and major corporate initiatives.

7. Board Membership and Succession

- 7.1 The Board will comprise of no less than five and no more than ten directors. The number of Directors will be agreed by the Board from time to time, in accordance with all applicable laws, regulations and the Constitution.
- 7.2 The Board will establish and maintain a director succession plan set out in the Corporate Governance Manual which will incorporate such matters as the required mix of skills best suited to manage the IMB Group, the desired number of three-year terms of office that may be held by directors and detailed procedures for appointment of new directors, including a comprehensive induction programme.

8. Independence, Fitness and Propriety

- 8.1 The Board will ensure that at all times the requisite number of directors are "independent" in accordance with the requirements of APRA and ASIC and in line with other accepted standards of 'best practice' governance.
- 8.2 The Board will regularly assess the independence of each director. In summary, to be "independent" a director must be free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment.
- 8.3 The Board will maintain a register of individual directors' personal dealings with the Group including deposits, loans, shareholdings, related party dealings, contractual obligations, services to or by the Group.
- 8.4 In accordance with Prudential Standard CPS 520 which sets out APRA's Fit and Proper Persons requirements for the 'responsible persons' of ADIs and the accountability regime applicable to ADIs, all Directors will be assessed prior to appointment to the Board and annually thereafter in accordance with IMB's prudential and legislative obligations.

9. Appointment of new directors

- 9.1 The process for appointing a director is that, when a vacancy exists, the Board assisted by the Board People & Culture Committee identifies candidates with appropriate expertise and experience. In accordance with Constitution of IMB, the most suitable candidate may be appointed by the Board as a casual director and, subject to the Board providing its support for their continued appointment, they must stand for election by members at the next annual general meeting ('AGM') that occurs after they were appointed by the Board.
- 9.2 Each director is appointed by a formal letter of appointment which sets out the key terms and conditions of their appointment to ensure that each director clearly understands IMB's expectations of him or her, including a copy of this Charter.

- 9.3 The Board may only consider a person as a candidate for appointment as a director if the Board People & Culture Committee confirms that the person is eligible to hold an accountable person position for the purposes of the FAR and they have been assessed as a fit and proper person under IMB's Fit and Proper Policy.
- 9.4 If the Board is assessing a person who has been nominated to be a director they will assess them against a range of criteria including background, experience, professional skills, personal qualities and their capacity to commit themselves to the Board's activities.
- 9.5 Any appointment is subject to the director qualification requirements of IMB's Constitution.

10. Election of directors

- 10.1 The process for the election of a director is in accordance with IMB's Constitution.
- 10.2 The names of the candidates submitted for election as director at the AGM will be accompanied by the following information to enable members to make an informed decision on their election:
 - (a) biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate;
 - (b) relevant directorships held;
 - (c) particulars of other positions which involve significant time commitments;
 - (d) the term of office currently served by any directors subject to re-election; and
 - (e) any other particulars required by law.

11. Board Renewal

- 11.1 The Board will establish a policy that provides details of how the Board intends to renew itself in order to ensure it remains equipped to manage emerging strategic and risk management requirements and fosters the consideration of new ideas and independent thinking, while retaining adequate expertise. The policy will give consideration to whether directors have served on the Board for a period that could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of IMB.
- 11.2 The process for retirement and re-election of directors is in accordance with IMB's Constitution which requires that directors retire by rotation at the third AGM after the AGM at which the director was last appointed. Retiring Directors may be eligible for re-election in accordance with the principles set out under the Corporate Governance Manual.

12. Chair of the Board

- 12.1 The Chair of the Board:
 - (a) must be an independent non-executive director;
 - (b) is appointed by the directors and may serve for a term determined by the directors, not exceeding three (3) years; and
 - (c) is eligible to for re-election as Chair of the Board at the end of any term served as Chair.
- 12.2 The responsibilities of the Chair of the Board include:
 - (a) providing leadership to the Board and IMB;

- (b) promoting the efficient conduct of the Board's functions;
- (c) monitoring the performance of the Board;
- (d) facilitating Board discussions to ensure core issues facing IMB are addressed;
- (e) facilitating the effective contribution and ongoing development of all directors;
- (f) promoting constructive and respectful relations between Board members and between the Board and senior management;
- (g) regularly meeting with the Chief Executive to be updated by the Chief Executive on all matters which may be of interest to directors, including to ensure that matters of importance are raised and considered by the Board in the appropriate forum and in a timely manner; and
- (h) chairing the board meetings and general meetings.

13. Meetings

- 13.1 The Board will schedule meetings as required for the effective discharge of its duties. Special Meetings may be called to deal with unusual or significant items where time may be of the essence.
- 13.2 Directors will meet regularly for private discussion as required.
- 13.3 Board Meeting Papers must be distributed to directors allowing sufficient time before each meeting for reading and preparation.
- 13.4 The Board will ensure that there is appropriate flexibility in Meeting Agendas to adequately address issues that demand its attention.
- 13.5 The Board will ensure that it receives sufficiently comprehensive materials and reports to allow it to make decisions on issues facing the Group and that there is appropriate debate and challenge about items of business that it considers.
- 13.6 The Board will ensure that it provides opportunities for Directors to engage directly with relevant management representatives and business owners of significant issues.
- 13.7 The Company Secretary will attend each Board Meeting and draft a set of Minutes promptly for recording within the minute books of the relevant company within 1 month. The Minutes will be circulated to directors with the next Board Papers for endorsement, after which they will be signed by the Chair.

14. Board Committees

- 14.1 The Board may establish committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail.
- 14.2 The Chair, with approval by directors, will appoint directors to a number of Committees each year. The Committees are as set out in detail in the Corporate Governance Manual and at a minimum will include:
 - (a) Board Audit Committee;
 - (b) Board Risk Committee; and

(c) Board People & Culture Committee¹.

- 14.3 The Board will from time to time establish other Committees which have a focus on particular areas of prudential compliance, strategic initiatives and the activities of IMB's subsidiary entities.
- 14.4 Each Committee will operate in accordance with its own Charter, which will be reviewed annually.
- 14.5 Committees will act in accordance with the authorities and/or advisory powers delegated to them by the Board and subject to all applicable laws, regulations and the Constitution, so to effectively deal with complex or specialised issues;
- 14.6 Committees will make recommendations for action to the full Board, which retains collective responsibility for decision making.
- 14.7 The Board will continually monitor each Committee's activities and performance as part of its duties of care, diligence and good faith.
- 14.8 The Board will ensure that there is an appropriate opportunity within each Board meeting for reports from Board Committees to be discussed and considered.
- 14.9 The Board will ensure that matters are appropriately referred to, and between, Committees to ensure effective co-ordination of matters requiring Board oversight including emerging risk and control related matters.

15. Board Remuneration and Evaluation

- 15.1 The Board and each director will be subject to annual performance evaluations against established criteria approved by the Board.
- 15.2 An external independent consultant may be engaged to review and make recommendations on any aspect of the Board's activities from time to time.
- 15.3 If the Chair of the Board and/or Board People & Culture Committee determines that a particular director's performance is unsatisfactory it may recommend to the Board that the particular director should not continue as a member of the Board or, in the case of a director due to stand for re-election at an AGM, that they should not stand for re-election.
- 15.4 The Board will review the matter of directors' remuneration annually, at a time to allow any required remuneration resolution that may be required to be prepared and form part of the Notice of the Annual General Meeting.

16. Conflicts of interest

- 16.1 Directors are expected to avoid any action, position or interest that conflicts with an interest of IMB or gives the appearance of a conflict.
- 16.2 A director who has a material personal interest in a matter that relates to the affairs of IMB must give the other directors notice of such interest in accordance with the Corporations Act 2001(Cth) and IMB's constitution.
- 16.3 Conflicts of interest will be avoided or managed in accordance with the principles set out in the Corporate Governance Manual.

¹ For the avoidance of the doubt, the People & Culture Committee has the remuneration related responsibilities contemplated under CPS511 Governance.

- 16.4 Financial services may be provided to directors under terms and conditions that would normally apply to the general public.

17. Access to information and independent advice by directors

- 17.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

- 17.2 Directors have access to:

- (a) senior management to seek explanations and information from senior management; and
- (b) auditors, both internal and external, to seek explanations and information from them without senior management being present.

- 17.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions, in accordance with the requirements set out in the Corporate Governance Manual.

18. Indemnity and Directors' and Officers' Insurance

- 18.1 IMB's Constitution makes provision for IMB to indemnify each person who is or has been a director. The Constitution also provides that IMB may enter into an insurance policy for the benefit of a person who is or has been a director (except where statute prohibits this).

- 18.2 IMB maintains Directors and Officers Insurance which in effect provides cover to IMB to enable it to meet its obligations to indemnify directors under the IMB's Constitution.

- 18.3 IMB retains the services of an insurance broking firm to provide the Board with advice in relation to this type of insurance.

19. Director Eligibility

- 19.1 It is the expectation of the Board that in accordance with the requirements of IMB's Constitution, each Director will directly hold either a minimum of 2,000 IMB shares or \$2,000 on deposit continuously throughout their term as a Director. Where a Director either directly or indirectly holds in excess of 2,000 shares, such holding is always subject to the maximum permissible shareholding rule set out in IMB's Constitution.

20. Charter Review

- 20.1 The Board will review this Charter on an annual basis and make any amendments as may be required.