

ANZ Board Charter

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1. Introduction

- 1.1 ANZ is committed to achieving outstanding performance and results to provide value to our shareholders, taking proper account of employees, customers, the communities and others with whom we do business.
- 1.2 ANZ places great importance on the values of honesty, integrity, quality and trust.
- 1.3 The Board will work to promote and maintain an environment within ANZ that establishes the principles and approaches in Sections 1.1 and 1.2 as basic guidelines for all of its employees and representatives.

2. Purpose and Role

- 2.1 The Board is responsible for:
 - (a) charting the direction, strategies and financial objectives for ANZ and monitoring the implementation of those policies, strategies and financial objectives;
 - (b) monitoring compliance with regulatory requirements, ethical standards and external commitments; and
 - (c) appointing and reviewing the performance of the Chief Executive Officer.
- 2.2 In performing the responsibilities set out above the Board should act at all times:
 - (a) in a manner that recognises the great importance ANZ places on the values of honesty, integrity, quality and trust;
 - (b) in accordance with the duties and obligations imposed upon them by the Constitution and by law; and
 - (c) having due regard to ANZ's corporate responsibility objectives, and the importance of ANZ's relationships with all its stakeholders and the communities and environments in which ANZ operates.

3. Powers

- 3.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- (a) appointment of the Chief Executive Officer and determination of his or her terms and conditions (including remuneration);
- (b) appointment of Senior Executives to roles leading ANZ businesses or functions and reporting to the Chief Executive Officer, and appointment of Company Secretaries;
- (c) any matters in excess of any discretions that it may have from time to time delegated to the Chief Executive Officer and senior management, including in relation to credit transactions, market risk limits and expenditure; and
- (d) approvals of each of the following:
 - (i) the budget and strategic plan, at least annually;
 - (ii) the remuneration and conditions of service including financial incentives for any executive directors, direct reports to the Chief Executive Officer, the Group General Manager – Internal Audit, the Group General Counsel and Company Secretary and the Group General Manager, Finance at least annually;
 - (iii) significant changes to organisational structure and the appointment of such senior officers as the Board may determine;
 - (iv) the acquisition, establishment, disposal or cessation of any significant business of ANZ;
 - (v) the issue of any shares, options, equity instruments or other equity securities in ANZ;
 - (vi) where practicable, the substance of any announcements to the Australian Securities Exchange in relation to matters that have been the subject of a decision by the Board or any public statements which reflect significant issues of ANZ policy or strategy; and
 - (vii) any changes to the discretions delegated from the Board.

4. Specific Responsibilities

4.1 The Board has a specific responsibility to:

- (a) monitor and assess management's performance in achieving any strategies and budgets approved by the Board;
- (b) set criteria for, and evaluate at least annually, the performance of the Chief Executive Officer;
- (c) review on a regular and continuing basis:
 - (i) executive succession planning (and in particular for the Chief Executive Officer); and
 - (ii) executive development activities; and
- (d) fulfil its function and duties under ANZ's Fit and Proper Policy.

5. Board Membership

- 5.1 The Board should comprise a majority of non-executive directors who satisfy the criteria for independence as stated in Section 6 below. In addition, a majority of the directors must be ordinarily resident in Australia.
- 5.2 The directors shall appoint as chairperson of the Board one of the non-executive directors who satisfy the criteria for independence as stated in Section 6 below.

6. Independence

- 6.1 A director is only to be regarded as independent if:
- (a) the Board determines that the director has no material relationship with ANZ (either directly or through an immediate family member, or as a partner, shareholder, or executive officer of an organisation that has a material relationship with ANZ);
 - (b) the director is not, and has not been within the previous three years, employed by ANZ, or a company in the ANZ Group;
 - (c) the director is not, and has not been within the previous three years:
 - (i) employed by, or a partner in, any firm that in the past five years has been ANZ's external auditor; or
 - (ii) employed by a company that has a compensation committee, on which an ANZ executive officer serves,and no immediate family member of the director is, or has been within the previous three years, employed in either of such capacities;
 - (d) no immediate family member of the director is an ANZ executive officer or, except where the immediate family member has died or become incapacitated, has been an ANZ executive officer within the previous three years; and
 - (e) the director is otherwise independent under the ASX Corporate Governance Principles and Recommendations.
- 6.2 For the purpose of this Section 6, "executive officer" of ANZ means the Chief Executive Officer, Chief Financial Officer, other members of the ANZ Management Board, Group General Counsel and Company Secretary, Group General Manager – Internal Audit, and Group General Manager, Finance.

7. Meetings

- 7.1 Board meeting papers should be distributed to Directors prior to each meeting in sufficient time to enable Directors to read the papers and properly prepare for the meeting.
- 7.2 Draft minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for review by the Chairman. Thereafter, the draft minutes shall be tabled at the next Board meeting for final review and approval.
- 7.3 The non-executive directors should meet at least twice each year for private discussion.

- 7.4 A majority of directors present and eligible to vote at all meetings of the Board shall be non-executive directors.

8. Board Committees

- 8.1 The Board may from time to time establish Committees to assist it in carrying out its responsibilities and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate.
- 8.2 The Board shall as a minimum establish the following Committees and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of those Committees:
- (a) an Audit Committee;
 - (b) a Risk Committee;
 - (c) a Human Resources Committee;
 - (d) a Governance Committee; and
 - (e) a Technology Committee.

9. Board Renewal, Performance Evaluation and Charter Review

- 9.1 The Board shall establish a policy and guidelines regarding Board renewal and succession planning, and for assessing the performance of the Board with the aim of maintaining a proactive and effective Board.
- 9.2 The policy and guidelines referred to in Section 9.1 shall set out a framework for the annual performance review of the Board, each non-executive director, and each Board Committee referred to in Section 8.2.
- 9.3 The Board shall review this Charter on an annual basis.