



## **Board Composition, Selection and Appointment**

Details regarding each director can be found on anz.com on the Governance page under “Board of Directors”.

The Governance Committee has been delegated responsibility to review and make recommendations to the Board regarding Board composition, and to assist in relation to the director nomination process. The Committee conducts an annual review of the size and composition of the Board to assess whether there is a need for any new non-executive director appointments.

This review takes the following factors into account:

- relevant guidelines/ legislative requirements in relation to Board composition;
- Board membership requirements as articulated in the Board charter; and
- other considerations including ANZ’s strategic goals and the importance of having appropriate diversity within the Board including in relation to matters such as skills, tenure, experience, age and gender.

The overarching guiding principle is that the Board’s composition should reflect an appropriate mix having regard to matters such as specialist skill representation, tenure, Board experience, age spread, diversity in general (including gender diversity), and geographic experience. Other matters for explicit consideration by the Committee are personal qualities, communication capabilities, ability and commitment to devote appropriate time to the task, the complementary nature of the distinctive contribution each director might make, professional reputation and community standing.

Nominations may be provided from time to time by a Board member to the Chairman of the Governance Committee who maintains a list of nominees to assist the Board in the succession planning process.

Where there is a need for any new appointments, a formal assessment of nominees will be conducted by the members of the Governance Committee and should be documented by the Committee Chairman. In assessing nominees, the Governance Committee has regard to the principles set out above.

Professional intermediaries may be used from time to time where deemed necessary and appropriate to assist in the process of identifying and considering potential candidates for Board membership.

If found suitable, potential candidates are recommended to the Board. The Chairman of the Board is responsible for approaching potential candidates. The Board composition criteria and the process for non-executive director selection and appointment are reviewed by the Committee on a regular basis.

A new director receives an appointment letter. In addition, the appointment process includes the following key elements:

- Receipt of appointment-related documents
  - Directors’ Handbook – The Handbook includes information on a broad range of matters relating to the role of a director.
  - Directors’ Deed – Each director signs a Deed in a form approved by shareholders at the 2005 Annual General Meeting which covers a number of issues including



indemnity, directors' and officers' liability insurance, the right to obtain independent advice and requirements concerning confidential information.

- Undertaking induction training – New directors take part in a formal induction program which involves the provision of information regarding ANZ's values and culture, the Group's governance framework, the Non-Executive Directors' Code of Conduct and Ethics, Director related policies, Board and Committee policies, processes and key issues, financial management and business operations. Briefings are also provided by senior management about matters concerning their areas of responsibility.
- Meeting share qualification – Non-executive directors are required to accumulate within 5 years of appointment, and thereafter maintain, a holding in shares in the Company that is equivalent to at least 100% of a non-executive director's base fee (and 200% of this fee in the case of the Chairman).
- Election at next Annual General Meeting – Subject to the provisions of ANZ's Constitution and the Corporations Act 2001, the Board may appoint a person as a director of ANZ at any time but that person must retire, and may seek election by shareholders, at the next Annual General Meeting.